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State of Minnesota HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH SESSION

HOUSE FILE No. 842

February 12, 2007

Authored by Huntley and Abeler

The bill was read for the first time and referred to the Committee on Finance

A bill for an act

1.1 relating to state government; amending provisions relating to child care; children
1.2 and family; licensing; health care; continuing care; mental health; health
1.3 insurance; the Department of Health; appropriating money; amending Minnesota
1.4 Statutes 2006, sections 13.46, subdivision 2; 16A.724, subdivision 2; 62E.141;
1.5 62J.692, subdivisions 1, 4, 7a, 8, 10; 62L.12, subdivision 2; 103I.101, subdivision
1.6 6; 103I.208, subdivisions 1, 2; 103I.235, subdivision 1; 119B.05, subdivision
1.7 1; 119B.09, subdivisions 1, 7, by adding a subdivision; 119B.13, subdivision
1.8 6; 144.123; 144.125; 144.3345; 144D.03, subdivision 1; 148.5194, by adding
1.9 a subdivision; 148.6445, subdivisions 1, 2; 148C.11, subdivision 1; 149A.52,
1.10 subdivision 3; 149A.97, subdivision 7; 153A.14, subdivision 4a; 153A.17;
1.11 245.465, by adding a subdivision; 245.4874; 245A.02, subdivisions 2, 10, 14;
1.12 245A.035; 245A.10, subdivisions 3, 4, 5; 245A.16, subdivisions 1, 3; 245B.01;
1.13 245B.02; 245B.03, subdivisions 1, 2; 245B.05, subdivision 2; 245B.055,
1.14 subdivision 1; 245B.06, subdivisions 7, 9, 10, by adding a subdivision; 245B.07,
1.15 subdivisions 4, 8; 245C.02, by adding a subdivision; 245C.04, subdivision 1;
1.16 245C.05, subdivisions 1, 4, 5, 7, by adding a subdivision; 245C.08, subdivisions
1.17 1, 2; 245C.10, by adding a subdivision; 245C.11, subdivisions 1, 2; 245C.12;
1.18 245C.16, subdivision 1; 245C.17, by adding a subdivision; 245C.21, by adding a
1.19 subdivision; 245C.23, subdivision 2; 246.54, subdivision 1; 252.32, subdivision
1.20 3; 256.01, subdivisions 2b, 18; 256.482, subdivisions 1, 8; 256.975, subdivision
1.21 7; 256B.057, subdivision 8; 256B.0625, subdivisions 18a, 20, by adding
1.22 subdivisions; 256B.0911, by adding a subdivision; 256B.0915, by adding a
1.23 subdivision; 256B.0943, subdivision 8; 256B.0945, subdivision 4; 256B.434,
1.24 by adding a subdivision; 256B.439, subdivision 1; 256B.441, by adding a
1.25 subdivision; 256B.5012, by adding a subdivision; 256B.69, subdivisions 4, 5g,
1.26 5h; 256B.76; 256B.763; 256D.03, subdivision 4; 256J.02, subdivisions 1, 4;
1.27 256J.021; 256J.09, subdivision 3b, by adding subdivisions; 256J.32, subdivision
1.28 6; 256J.42, subdivisions 1, 6; 256J.425, by adding subdivisions; 256J.46, by
1.29 adding subdivisions; 256J.49, subdivision 13; 256J.50, subdivision 1; 256J.521,
1.30 by adding a subdivision; 256J.531; 256J.626, subdivision 7, by adding a
1.31 subdivision; 256J.751, subdivisions 2, 5; 256J.95, subdivision 15; 256L.02,
1.32 subdivision 3, by adding subdivisions; 256L.03, subdivision 1; 256L.035;
1.33 256L.04, subdivision 1; 256L.05, subdivision 5, by adding a subdivision;
1.34 256L.06, subdivision 3; 256L.11, subdivision 7; 256L.12, subdivisions 7, 9a;
1.35 256L.15, subdivisions 1a, 2, by adding a subdivision; 259.20, subdivision 2;
1.36 259.29, subdivision 1; 259.41; 259.47, subdivision 3; 259.53, subdivision
1.37 2; 259.57, subdivision 2; 260C.193, subdivision 3; 260C.209; 260C.212,
1.38 subdivision 2; 609.115, subdivision 9; Laws 2005, chapter 98, article 3, section
1.39

2.1 25; proposing coding for new law in Minnesota Statutes, chapters 62A; 149A;  
 2.2 245; 245C; 256C; 256J; 256L; repealing Minnesota Statutes 2006, sections  
 2.3 256J.29; 256J.425, subdivisions 6, 7; 256J.46, subdivisions 1, 2, 2a; 256J.67;  
 2.4 256J.68; Laws 2004, chapter 288, article 6, section 27; Minnesota Rules, parts  
 2.5 4610.2800; 9585.0030.

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

2.7 **ARTICLE 1**

2.8 **HUMAN SERVICES APPROPRIATIONS**

2.9 Section 1. **SUMMARY OF APPROPRIATIONS.**

2.10 The amounts shown in this section summarize direct appropriations, by fund, made  
 2.11 in this article.

	<u>2008</u>		<u>2009</u>		<u>Total</u>
2.12					
2.13	<u>\$ 4,642,982,000</u>	\$	<u>4,981,113,000</u>	\$	<u>9,624,095,000</u>
2.14	<u>State Government Special</u>				
2.15	<u>Revenue</u>		<u>55,722,000</u>		<u>56,428,000</u>
2.16	<u>Health Care Access</u>		<u>493,981,000</u>		<u>517,213,000</u>
2.17	<u>Federal TANF</u>		<u>286,354,000</u>		<u>283,434,000</u>
2.18	<u>Lottery Prize Fund</u>		<u>1,459,000</u>		<u>1,462,000</u>
2.19	<u><b>Total</b></u>	<u>\$</u>	<u><b>5,480,498,000</b></u>	<u>\$</u>	<u><b>5,839,650,000</b></u>

2.20 Sec. 2. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

2.21 The sums shown in the columns marked "Appropriations" are appropriated to the  
 2.22 agencies and for the purposes specified in this article. The appropriations are from the  
 2.23 general fund, or another named fund, and are available for the fiscal years indicated  
 2.24 for each purpose. The figures "2008" and "2009" used in this article mean that the  
 2.25 appropriations listed under them are available for the fiscal year ending June 30, 2008, or  
 2.26 June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is fiscal  
 2.27 year 2009. "The biennium" is fiscal years 2008 and 2009. Appropriations for the fiscal  
 2.28 year ending June 30, 2007, are effective the day following final enactment.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2008</u>	<u>2009</u>

2.33 Sec. 3. **HUMAN SERVICES**

2.34 Subdivision 1. **Total Appropriation** \$ 5,248,777,000 \$ 5,609,280,000

	<u>Appropriations by Fund</u>	
	<u>2008</u>	<u>2009</u>

3.1	<u>General</u>	<u>4,509,596,000</u>	<u>4,850,114,000</u>
3.2	<u>State Government</u>		
3.3	<u>Special Revenue</u>	<u>545,000</u>	<u>555,000</u>
3.4	<u>Health Care Access</u>	<u>459,823,000</u>	<u>485,715,000</u>
3.5	<u>Federal TANF</u>	<u>277,354,000</u>	<u>271,434,000</u>
3.6	<u>Lottery Prize Fund</u>	<u>1,459,000</u>	<u>1,462,000</u>

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

3.10 **Receipts for Systems Projects.**

3.11 Appropriations and federal receipts for  
 3.12 information system projects for MAXIS,  
 3.13 PRISM, MMIS, and SSIS must be deposited  
 3.14 in the state system account authorized in  
 3.15 Minnesota Statutes, section 256.014. Money  
 3.16 appropriated for computer projects approved  
 3.17 by the Minnesota Office of Enterprise  
 3.18 Technology, funded by the legislature, and  
 3.19 approved by the commissioner of finance,  
 3.20 may be transferred from one project to  
 3.21 another and from development to operations  
 3.22 as the commissioner of human services  
 3.23 considers necessary. Any unexpended  
 3.24 balance in the appropriation for these  
 3.25 projects does not cancel but is available for  
 3.26 ongoing development and operations.

3.27 **Systems Continuity.** In the event of  
 3.28 disruption of technical systems or computer  
 3.29 operations, the commissioner may use  
 3.30 available grant appropriations to ensure  
 3.31 continuity of payments for maintaining the  
 3.32 health, safety, and well-being of clients  
 3.33 served by programs administered by the  
 3.34 Department of Human Services. Grant funds  
 3.35 must be used in a manner consistent with the  
 3.36 original intent of the appropriation.

4.1 **Nonfederal Share Transfers.** The  
4.2 nonfederal share of activities for which  
4.3 federal administrative reimbursement is  
4.4 appropriated to the commissioner may be  
4.5 transferred to the special revenue fund.

4.6 **Gifts.** Notwithstanding Minnesota  
4.7 Statutes, sections 16A.013 to 16A.016, the  
4.8 commissioner may accept, on behalf of the  
4.9 state, additional funding from sources other  
4.10 than state funds for the purpose of financing  
4.11 the cost of assistance program grants or  
4.12 nongrant administration. All additional  
4.13 funding is appropriated to the commissioner  
4.14 for use as designated by the grantor of  
4.15 funding.

4.16 **TANF Funds Appropriated to Other**  
4.17 **Entities.** Any expenditures from the TANF  
4.18 block grant shall be expended according  
4.19 to the requirements and limitations of part  
4.20 A of title IV of the Social Security Act, as  
4.21 amended, and any other applicable federal  
4.22 requirement or limitation. Prior to any  
4.23 expenditure of these funds, the commissioner  
4.24 shall ensure that funds are expended in  
4.25 compliance with the requirements and  
4.26 limitations of federal law and that any  
4.27 reporting requirements of federal law are  
4.28 met. It shall be the responsibility of any entity  
4.29 to which these funds are appropriated to  
4.30 implement a memorandum of understanding  
4.31 with the commissioner that provides the  
4.32 necessary assurance of compliance prior to  
4.33 any expenditure of funds. The commissioner  
4.34 shall receipt TANF funds appropriated  
4.35 to other state agencies and coordinate all  
4.36 related interagency accounting transactions

5.1 necessary to implement these appropriations.  
5.2 Unexpended TANF funds appropriated to  
5.3 any state, local, or nonprofit entity cancel  
5.4 at the end of the state fiscal year unless  
5.5 appropriating or statutory language permits  
5.6 otherwise.

5.7 **TANF Maintenance of Effort.** (a) In  
5.8 order to meet the basic maintenance of  
5.9 effort (MOE) requirements of the TANF  
5.10 block grant specified under Code of Federal  
5.11 Regulations, title 45, section 263.1, the  
5.12 commissioner may only report nonfederal  
5.13 money expended for allowable activities  
5.14 listed in the following clauses as TANF/MOE  
5.15 expenditures:

5.16 (1) MFIP cash, diversionary work program,  
5.17 and food assistance benefits under Minnesota  
5.18 Statutes, chapter 256J;

5.19 (2) the child care assistance programs  
5.20 under Minnesota Statutes, sections 119B.03  
5.21 and 119B.05, and county child care  
5.22 administrative costs under Minnesota  
5.23 Statutes, section 119B.15;

5.24 (3) state and county MFIP administrative  
5.25 costs under Minnesota Statutes, chapters  
5.26 256J and 256K;

5.27 (4) state, county, and tribal MFIP  
5.28 employment services under Minnesota  
5.29 Statutes, chapters 256J and 256K;

5.30 (5) expenditures made on behalf of  
5.31 noncitizen MFIP recipients who qualify  
5.32 for the medical assistance without federal  
5.33 financial participation program under  
5.34 Minnesota Statutes, section 256B.06,

6.1 subdivision 4, paragraphs (d), (e), and (j);

6.2 and

6.3 (6) qualifying working family credit

6.4 expenditures under Minnesota Statutes,

6.5 section 290.0671.

6.6 (b) The commissioner shall ensure that

6.7 sufficient qualified nonfederal expenditures

6.8 are made each year to meet the state's

6.9 TANF/MOE requirements. For the activities

6.10 listed in paragraph (a), clauses (2) to

6.11 (6), the commissioner may only report

6.12 expenditures that are excluded from the

6.13 definition of assistance under Code of

6.14 Federal Regulations, title 45, section 260.31.

6.15 (c) The commissioner shall ensure that

6.16 the maintenance of effort used by the

6.17 commissioner of finance for the February

6.18 and November forecasts required under

6.19 Minnesota Statutes, section 16A.103,

6.20 contains expenditures under paragraph (a),

6.21 clause (1), equal to at least 25 percent of

6.22 the total required under Code of Federal

6.23 Regulations, title 45, section 263.1.

6.24 (d) Minnesota Statutes, section 256.011,

6.25 subdivision 3, which requires that federal

6.26 grants or aids secured or obtained under that

6.27 subdivision be used to reduce any direct

6.28 appropriations provided by law, does not

6.29 apply if the grants or aids are federal TANF

6.30 funds.

6.31 (e) Notwithstanding section 13, paragraph

6.32 (a), clauses (1) to (6), and paragraphs (b) to

6.33 (d), expire June 30, 2011.

6.34 **Working Family Credit Expenditures**

6.35 **as TANF/MOE.** The commissioner may

7.1 claim as TANF maintenance of effort up  
7.2 to \$6,707,000 per year for fiscal year 2008  
7.3 through fiscal year 2011. Notwithstanding  
7.4 section 13, this rider expires June 30, 2011.

7.5 **Additional Working Family Credit**

7.6 **Expenditures to be Claimed for**

7.7 **TANF/MOE.** In addition to the amounts  
7.8 provided in this section, the commissioner  
7.9 may count the following amounts of working  
7.10 family credit expenditure as TANF/MOE:

7.11 (1) fiscal year 2008, \$53,758,000; and

7.12 (2) fiscal year 2009, \$52,943,000;

7.13 (3) fiscal year 2010, \$26,472,000; and

7.14 (4) fiscal year 2011, \$26,464,000.

7.15 Notwithstanding section 13, this rider expires  
7.16 June 30, 2011.

7.17 **TANF Transfer to Federal Child Care**

7.18 **and Development Fund.** The following

7.19 TANF fund amounts are appropriated to  
7.20 the commissioner for the purposes of MFIP  
7.21 transition year child care under MFIP,  
7.22 Minnesota Statutes, section 119B.05:

7.23 (1) fiscal year 2008, \$40,378,000;

7.24 (2) fiscal year 2009, \$33,918,000;

7.25 (3) fiscal year 2010, \$11,726,000; and

7.26 (4) fiscal year 2011, \$11,740,000.

7.27 The commissioner shall authorize transfer  
7.28 of sufficient TANF funds to the federal  
7.29 Child Care and Development Fund to meet  
7.30 this appropriation and shall ensure that all  
7.31 transferred funds are expended according the  
7.32 federal Child Care and Development Fund  
7.33 regulations.

8.1 **Capitation Rate Increase.** Of the health care  
 8.2 access fund appropriations to the University  
 8.3 of Minnesota in the higher education  
 8.4 omnibus appropriation bill, \$2,157,000 in  
 8.5 fiscal year 2008 and \$2,157,000 in fiscal year  
 8.6 2009 are to be used to increase the capitation  
 8.7 payments under Minnesota Statutes, section  
 8.8 256B.69.

8.9 **Health Care Access Fund Transfer.**  
 8.10 Notwithstanding Minnesota Statutes, section  
 8.11 295.581, in addition to the transfers in  
 8.12 Minnesota Statutes, section 16A.724,  
 8.13 subdivision 2, the commissioner of finance  
 8.14 shall transfer up to the following amounts  
 8.15 from the health care access fund to the  
 8.16 general fund on June 30 of each fiscal year:

- 8.17 (1) fiscal year 2008, \$4,744,000;
- 8.18 (2) fiscal year 2009, \$9,710,000;
- 8.19 (3) fiscal year 2010, \$15,669,000; and
- 8.20 (4) fiscal year 2011, \$18,280,000.

8.21 Notwithstanding section 13, this rider expires  
 8.22 June 30, 2011.

8.23 **Subd. 2. Agency Management** 56,929,000 57,377,000

8.24	<u>Appropriations by Fund</u>	
8.25	<u>General</u>	<u>48,265,000</u> <u>48,748,000</u>
8.26	<u>State Government</u>	
8.27	<u>Special Revenue</u>	<u>424,000</u> <u>432,000</u>
8.28	<u>Health Care Access</u>	<u>8,018,000</u> <u>7,975,000</u>
8.29	<u>Federal TANF</u>	<u>222,000</u> <u>222,000</u>

8.30 The amounts that may be spent from the  
 8.31 appropriation for each purpose are as follows:

8.32 **(a) Financial Operations**

8.33	<u>Appropriations by Fund</u>	
8.34	<u>General</u>	<u>7,102,000</u> <u>7,523,000</u>

9.1	<u>Health Care Access</u>	<u>889,000</u>	<u>880,000</u>
9.2	<u>Federal TANF</u>	<u>122,000</u>	<u>122,000</u>

9.3 **(b) Legal and Regulation Operations**

9.4 Appropriations by Fund

9.5	<u>General</u>	<u>12,980,000</u>	<u>13,086,000</u>
9.6	<u>State Government</u>		
9.7	<u>Special Revenue</u>	<u>424,000</u>	<u>432,000</u>
9.8	<u>Health Care Access</u>	<u>891,000</u>	<u>908,000</u>
9.9	<u>Federal TANF</u>	<u>100,000</u>	<u>100,000</u>

9.10 **(c) Management Operations**

9.11 Appropriations by Fund

9.12	<u>General</u>	<u>4,299,000</u>	<u>4,351,000</u>
9.13	<u>Health Care Access</u>	<u>234,000</u>	<u>238,000</u>

9.14 **(d) Information Technology Operations**

9.15 Appropriations by Fund

9.16	<u>General</u>	<u>23,884,000</u>	<u>23,788,000</u>
9.17	<u>Health Care Access</u>	<u>6,004,000</u>	<u>5,949,000</u>

9.18 **Subd. 3. Revenue and Pass-Through**  
9.19 **Expenditures**

96,463,000      90,492,000

9.20	<u>Federal TANF</u>	<u>96,463,000</u>	<u>90,492,000</u>
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9.21 **Subd. 4. Children and Economic Assistance**  
9.22 **Grants**

684,906,000      675,939,000

9.23 Appropriations by Fund

9.24	<u>General</u>	<u>495,858,000</u>	<u>476,765,000</u>
9.25	<u>Federal TANF</u>	<u>179,473,000</u>	<u>179,524,000</u>
9.26	<u>Health Care Access</u>	<u>9,575,000</u>	<u>19,650,000</u>

9.27 The amounts that may be spent from this  
9.28 appropriation for each purpose are as follows:

9.29 **(a) MFIP/DWP Grants**

9.30 Appropriations by Fund

9.31	<u>General</u>	<u>61,180,000</u>	<u>60,983,000</u>
9.32	<u>Federal TANF</u>	<u>76,141,000</u>	<u>75,242,000</u>

9.33 **(b) Support Services Grants**

10.1	<u>Appropriations by Fund</u>		
10.2	<u>General</u>	<u>8,715,000</u>	<u>8,715,000</u>
10.3	<u>Federal TANF</u>	<u>103,332,000</u>	<u>104,282,000</u>

10.4 **TANF Prior Appropriation Cancellation.**

10.5 Notwithstanding Laws 2001, First Special  
 10.6 Session chapter 9, article 17, section  
 10.7 2, subdivision 11, paragraph (b), any  
 10.8 unexpended TANF funds appropriated to the  
 10.9 commissioner to contract with the Board of  
 10.10 Trustees of Minnesota State Colleges and  
 10.11 Universities, to provide tuition waivers to  
 10.12 employees of health care and human service  
 10.13 providers that are members of qualifying  
 10.14 consortia operating under Minnesota  
 10.15 Statutes, sections 116L.10 to 116L.15, must  
 10.16 cancel at the end of fiscal year 2007.

10.17 **(c) MFIP Child Care Assistance Grants**

10.18	<u>General</u>	<u>36,232,000</u>	<u>42,002,000</u>
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10.19 **(d) Basic Sliding Fee Child Care Assistance**  
 10.20 **Grants**

10.21	<u>General</u>	<u>41,665,000</u>	<u>43,095,000</u>
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10.22 **Base Adjustment.** The general fund base is  
 10.23 increased by \$21,000 in fiscal year 2010 and  
 10.24 \$34,000 in fiscal year 2011 for basic sliding  
 10.25 fee child care assistance grants.

10.26 **(e) Child Care Development Grants**

10.27	<u>General</u>	<u>1,515,000</u>	<u>1,515,000</u>
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10.28 **(f) Child Support Enforcement Grants**

10.29	<u>General</u>	<u>3,705,000</u>	<u>3,705,000</u>
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10.30 **(g) Children's Services Grants**

10.31	<u>Appropriations by Fund</u>		
10.32	<u>General</u>	<u>56,473,000</u>	<u>62,761,000</u>
10.33	<u>Health Care Access</u>	<u>9,575,000</u>	<u>19,650,000</u>

- 11.1 **Privatized Adoption Grants.** Federal
- 11.2 reimbursement for privatized adoption grant
- 11.3 and foster care recruitment grant expenditures
- 11.4 is appropriated to the commissioner for
- 11.5 adoption grants and foster care and adoption
- 11.6 administrative purposes.
- 11.7 **Adoption Assistance Incentive Grants.**
- 11.8 Federal funds available during fiscal year
- 11.9 2008 and fiscal year 2009 for the adoption
- 11.10 incentive grants are appropriated to the
- 11.11 commissioner for these purposes.
- 11.12 **Adoption Assistance and Relative Custody**
- 11.13 **Assistance.** The commissioner may transfer
- 11.14 unencumbered appropriation balances for
- 11.15 adoption assistance and relative custody
- 11.16 assistance between fiscal years and between
- 11.17 programs.
- 11.18 **Adoption Assistance and Relative**
- 11.19 **Custody Assistance Subsidy Payment**
- 11.20 **Increase.** Notwithstanding Minnesota
- 11.21 Rules, part 9560.0083, subparts 5 and 6, the
- 11.22 commissioner shall increase the payment
- 11.23 schedules for basic and supplemental
- 11.24 maintenance needs subsidies by five percent
- 11.25 effective July 1, 2007. The commissioner
- 11.26 may make cost-neutral adjustments between
- 11.27 schedules and between brackets within
- 11.28 schedules to allow for whole-dollar bracket
- 11.29 levels and account for differential cost
- 11.30 increases in caring for children with special
- 11.31 needs. Counties have until December 31,
- 11.32 2007, to implement the relative custody
- 11.33 assistance payment increases and shall make
- 11.34 payment adjustments retroactive to July 1,
- 11.35 2007.

12.1 **Base Adjustment.** The general fund base  
 12.2 is decreased by \$3,121,000 in each of fiscal  
 12.3 years 2010 and 2011 for children services  
 12.4 grants, and the health care access fund is  
 12.5 increased by \$1,750,000 in each of fiscal  
 12.6 years 2010 and 2011.

12.7 **(h) Children and Community Services Grants**

12.8	<u>General</u>	<u>108,702,000</u>	<u>69,208,000</u>
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12.9 **Base Adjustment.** The general fund base is  
 12.10 increased by \$66,000 in each of fiscal years  
 12.11 2010 and 2011 for children and community  
 12.12 service grants.

12.13 **Targeted Case Management Temporary**

12.14 **Funding.** Of the general fund appropriation,  
 12.15 \$40,000,000 in fiscal year 2008 is allocated to  
 12.16 counties and tribes affected by reductions in  
 12.17 targeted case management federal Medicaid  
 12.18 revenue as a result of the provisions in  
 12.19 the federal Deficit Reduction Act of 2005,  
 12.20 Public Law 109-171. The commissioner  
 12.21 shall distribute the funds proportionate  
 12.22 to each affected county or tribe's targeted  
 12.23 case management federal earnings for  
 12.24 calendar year 2005. Prior to distribution  
 12.25 of funds, the commissioner shall estimate  
 12.26 and certify the amount by which the federal  
 12.27 regulations will reduce case management  
 12.28 revenue over the 2008-2009 biennium. The  
 12.29 commissioner may provide grants up to the  
 12.30 amount of the estimated reduction, not to  
 12.31 exceed \$40,000,000 for the biennium. The  
 12.32 commissioner may determine the timing and  
 12.33 frequency of payments to counties. These  
 12.34 funds are available in either year of the  
 12.35 biennium. Counties shall use these funds to

13.1 pay for social service-related costs, but the  
 13.2 funds are not subject to provisions of the  
 13.3 Children and Community Services Act grant  
 13.4 under Minnesota Statutes, chapter 256M.

13.5 **(i) General Assistance Grants**

13.6 <u>General</u>	<u>37,885,000</u>	<u>38,262,000</u>
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13.7 **General Assistance Standard.** The  
 13.8 commissioner shall set the monthly standard  
 13.9 of assistance for general assistance units  
 13.10 consisting of an adult recipient who is  
 13.11 childless and unmarried or living apart  
 13.12 from parents or a legal guardian at \$203.  
 13.13 The commissioner may reduce this amount  
 13.14 according to Laws 1997, chapter 85, article  
 13.15 3, section 54.

13.16 **Emergency General Assistance.** The  
 13.17 amount appropriated for emergency general  
 13.18 assistance funds is limited to no more  
 13.19 than \$7,889,812 in fiscal year 2008 and  
 13.20 \$7,889,812 in fiscal year 2009. Funds  
 13.21 to counties must be allocated by the  
 13.22 commissioner using the allocation method  
 13.23 specified in Minnesota Statutes, section  
 13.24 256D.06.

13.25 **(j) Minnesota Supplemental Aid Grants**

13.26 <u>General</u>	<u>30,468,000</u>	<u>30,829,000</u>
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13.27 **Emergency Minnesota Supplemental**  
 13.28 **Aid Funds.** The amount appropriated for  
 13.29 emergency Minnesota supplemental aid  
 13.30 funds is limited to no more than \$1,100,000  
 13.31 in fiscal year 2008 and \$1,100,000 in fiscal  
 13.32 year 2009. Funds to counties must be  
 13.33 allocated by the commissioner using the

14.1 allocation method specified in Minnesota

14.2 Statutes, section 256D.46.

14.3 **(k) Group Residential Housing Grants**

14.4 <u>General</u>	<u>91,385,000</u>	<u>98,257,000</u>
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14.5 **(l) Other Children and Economic Assistance**  
14.6 **Grants**

14.7 <u>General</u>	<u>17,933,000</u>	<u>17,433,000</u>
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14.8 **Subd. 5. Children and Economic Assistance**  
14.9 **Management**

	<u>46,881,000</u>	<u>47,032,000</u>
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14.10 Appropriations by Fund

14.11 <u>General</u>	<u>45,338,000</u>	<u>45,482,000</u>
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14.12 <u>Health Care Access</u>	<u>347,000</u>	<u>354,000</u>
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14.13 <u>Federal TANF</u>	<u>1,196,000</u>	<u>1,196,000</u>
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14.14 The amounts that may be spent from the

14.15 appropriation for each purpose are as follows:

14.16 **(a) Children and Economic Assistance**  
14.17 **Administration**

14.18 Appropriations by Fund

14.19 <u>General</u>	<u>9,804,000</u>	<u>9,720,000</u>
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14.20 <u>Federal TANF</u>	<u>1,196,000</u>	<u>1,196,000</u>
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14.21 **(b) Children and Economic Assistance**  
14.22 **Operations**

14.23 Appropriations by Fund

14.24 <u>General</u>	<u>35,534,000</u>	<u>35,762,000</u>
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14.25 <u>Health Care Access</u>	<u>347,000</u>	<u>354,000</u>
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14.26 **Spending Authority for Food Stamps**

14.27 **Bonus Awards.** In the event that Minnesota

14.28 qualifies for the United States Department

14.29 of Agriculture Food and Nutrition Services

14.30 Food Stamp Program performance bonus

14.31 awards, the funding is appropriated to the

14.32 commissioner. The commissioner shall

14.33 retain 25 percent of the funding, with the

14.34 other 75 percent divided among the counties

14.35 according to a formula that takes into account

15.1 each county's impact on state performance in  
15.2 the applicable bonus categories.

15.3 **Child Support Payment Center. Payments**  
15.4 to the commissioner from other governmental  
15.5 units, private enterprises, and individuals  
15.6 for services performed by the child support  
15.7 payment center must be deposited in the state  
15.8 systems account authorized under Minnesota  
15.9 Statutes, section 256.014. These payments  
15.10 are appropriated to the commissioner for the  
15.11 operation of the child support payment center  
15.12 or system, according to Minnesota Statutes,  
15.13 section 256.014.

15.14 **Financial Institution Data Match and**  
15.15 **Payment of Fees.** The commissioner is  
15.16 authorized to allocate up to \$310,000 each  
15.17 year in fiscal years 2008 and 2009 from the  
15.18 PRISM special revenue account to make  
15.19 payments to financial institutions in exchange  
15.20 for performing data matches between account  
15.21 information held by financial institutions  
15.22 and the public authority's database of child  
15.23 support obligors as authorized by Minnesota  
15.24 Statutes, section 13B.06, subdivision 7.

15.25 **Subd. 6. Basic Health Care Grants** 2,371,510,000      2,600,451,000

15.26	<u>Appropriations by Fund</u>		
15.27	<u>General</u>	<u>1,955,762,000</u>	<u>2,172,815,000</u>
15.28	<u>Health Care Access</u>	<u>415,748,000</u>	<u>427,636,000</u>

15.29 The amounts that may be spent from the  
15.30 appropriation for each purpose are as follows:

15.31 **(a) MinnesotaCare Grants**

15.32	<u>Health Care Access</u>	<u>414,076,000</u>	<u>427,636,000</u>
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15.33 **MinnesotaCare Federal Receipts. Receipts**  
15.34 received as a result of federal participation

16.1 in administering costs of the Minnesota  
 16.2 health care reform waiver must be deposited  
 16.3 as nondedicated revenue in the health care  
 16.4 access fund. Receipts received as a result of  
 16.5 federal participation in making grants must  
 16.6 be deposited in the federal fund and must  
 16.7 offset health care access funds for payments  
 16.8 to providers.

16.9 **MinnesotaCare Funding.** The  
 16.10 commissioner may expend money  
 16.11 appropriated from the health care access fund  
 16.12 for MinnesotaCare in either fiscal year of the  
 16.13 biennium.

16.14 **(b) MA Basic Health Care - Families and**  
 16.15 **Children**

16.16	<u>Appropriations by Fund</u>		
16.17	<u>General</u>	<u>717,176,000</u>	<u>813,792,000</u>
16.18	<u>Health Care Access</u>	<u>1,672,000</u>	<u>-0-</u>

16.19 **(c) MA Basic Health Care - Elderly and**  
 16.20 **Disabled**

16.21	<u>General</u>	<u>1,014,783,000</u>	<u>1,120,250,000</u>
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16.22 **Physician-Directed Care Coordination.** In  
 16.23 addition to medical assistance reimbursement  
 16.24 under Minnesota Statutes, sections  
 16.25 256B.0625 and 256B.76, clinics participating  
 16.26 in physician-directed care coordination under  
 16.27 Minnesota Statutes, section 256B.0625, also  
 16.28 receive a monthly payment per client when  
 16.29 the clinic serves an eligible client. The  
 16.30 payments across the program must average  
 16.31 \$50 per month per client.

16.32 **(d) General Assistance Medical Care Grants**

16.33	<u>General</u>	<u>223,594,000</u>	<u>238,564,000</u>
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16.34 **(e) Other Health Care Grants**

17.1	<u>General</u>	<u>209,000</u>	<u>209,000</u>		
17.2	<b><u>Subd. 7. Health Care Management</u></b>			<u>51,558,000</u>	<u>50,675,000</u>

17.3	<u>Appropriations by Fund</u>				
17.4	<u>General</u>	<u>30,637,000</u>	<u>29,594,000</u>		
17.5	<u>Health Care Access</u>	<u>20,921,000</u>	<u>21,081,000</u>		

17.6 The amounts that may be spent from the  
 17.7 appropriation for each purpose are as follows:

17.8 **(a) Health Care Policy Administration**

17.9	<u>Appropriations by Fund</u>				
17.10	<u>General</u>	<u>9,596,000</u>	<u>8,310,000</u>		
17.11	<u>Health Care Access</u>	<u>974,000</u>	<u>2,730,000</u>		

17.12 **Minnesota Senior Health Options**

17.13 **Reimbursement.** Federal administrative  
 17.14 reimbursement resulting from the Minnesota  
 17.15 senior health options project is appropriated  
 17.16 to the commissioner for this activity.

17.17 **Utilization Review.** Federal administrative  
 17.18 reimbursement resulting from prior  
 17.19 authorization and inpatient admission  
 17.20 certification by a professional review  
 17.21 organization is dedicated to the commissioner  
 17.22 for these purposes. A portion of these funds  
 17.23 must be used for activities to decrease  
 17.24 unnecessary pharmaceutical costs in medical  
 17.25 assistance.

17.26 **Base Adjustment.** The health care access  
 17.27 fund base is increased by \$1,618,000 in fiscal  
 17.28 year 2010 and \$1,708,000 in fiscal year 2011,  
 17.29 for health care administration.

17.30 **(b) Health Care Operations**

17.31	<u>Appropriations by Fund</u>				
17.32	<u>General</u>	<u>21,041,000</u>	<u>21,284,000</u>		
17.33	<u>Health Care Access</u>	<u>19,947,000</u>	<u>18,351,000</u>		

18.1 **Base Adjustment.** The health care access  
 18.2 fund base is decreased by \$134,000 in fiscal  
 18.3 year 2010 and \$300,000 in fiscal year 2011  
 18.4 for health care operations.

18.5 **Subd. 8. Continuing Care Grants** 7,757,386 11,699,194

18.6	<u>Appropriations by Fund</u>		
18.7	<u>General</u>	<u>1,649,386</u>	<u>1,791,194</u>
18.8	<u>Health Care Access</u>	<u>4,800,000</u>	<u>8,600,000</u>
18.9	<u>Lottery Prize</u>	<u>1,308,000</u>	<u>1,308,000</u>

18.10 The amounts that may be spent from the  
 18.11 appropriation for each purpose are as follows:

18.12 **(a) Aging and Adult Services Grant**

18.13	<u>General</u>	<u>14,107,000</u>	<u>14,477,000</u>
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18.14 **Information and Assistance**

18.15 **Reimbursement.** Federal administrative  
 18.16 reimbursement obtained from information  
 18.17 and assistance services provided by the  
 18.18 Senior Linkage Line to people who are  
 18.19 identified as eligible for medical assistance  
 18.20 are appropriated to the commissioner for this  
 18.21 activity.

18.22 **Base Adjustment.** The general fund base is  
 18.23 increased by \$47,000 in each of fiscal years  
 18.24 2010 and 2011 for aging and adult services  
 18.25 grants.

18.26 **(b) Alternative Care Grants**

18.27	<u>General</u>	<u>49,883,000</u>	<u>51,828,000</u>
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18.28 **Alternative Care Transfer.** Any money  
 18.29 allocated to the alternative care program that  
 18.30 is not spent for the purposes indicated does  
 18.31 not cancel but is transferred to the medical  
 18.32 assistance account.

18.33 **Base Adjustment.** The general fund base is  
 18.34 increased by \$335,000 in fiscal year 2010 and

19.1 \$375,000 in fiscal year 2011 for alternative  
 19.2 care grants.

19.3 **(c) Medical Assistance Grants - Long-term**  
 19.4 **Care Facilities**

19.5 General                      486,505,000    493,980,000

19.6 **New Nursing Facility Reimbursement**

19.7 **System Delay.** Notwithstanding Minnesota  
 19.8 Statutes, section 256B.441, subdivision 1,  
 19.9 paragraph (c), the commissioner shall begin  
 19.10 to phase in the new reimbursement system  
 19.11 for nursing facilities on or after October 1,  
 19.12 2009.

19.13 **Long-Term Care Consultation Funding**

19.14 **Increase.** For the rate year beginning  
 19.15 October 1, 2008, the county long-term  
 19.16 care consultation allocations in Minnesota  
 19.17 Statutes, section 256B.0911, subdivision  
 19.18 6, must be increased based on the number  
 19.19 of transitional long-term care consultation  
 19.20 visits projected by the commissioner in  
 19.21 each county. For the rate year beginning  
 19.22 October 1, 2009, final allocations must be  
 19.23 determined based on the average between  
 19.24 the actual number of transitional long-term  
 19.25 care visits that were conducted in the prior  
 19.26 12-month period and the projected number  
 19.27 of consultations that will be provided in  
 19.28 the rate year beginning October 1, 2009.  
 19.29 Notwithstanding section 13, this rider expires  
 19.30 June 30, 2010.

19.31 **(d) Medical Assistance Grants - Long-Term**  
 19.32 **Care Waivers and Home Care Grants**

19.33 General                      945,875,000    1,063,622,000

19.34 **Transition of Existing Providers to**  
 19.35 **New Licensure Requirement.** Providers

20.1 of adult day supports and habilitation,  
 20.2 residential-based supports and habilitation,  
 20.3 supported employment, or crisis respite  
 20.4 under a federally approved home and  
 20.5 community-based services Medicaid waiver  
 20.6 that, as of January 1, 2008, are newly  
 20.7 required to be licensed by the commissioner  
 20.8 of human services under Minnesota  
 20.9 Statutes, chapter 245A, and according to  
 20.10 the licensing requirements under Minnesota  
 20.11 Statutes, chapter 245B, shall submit a  
 20.12 license application fee as required under  
 20.13 Minnesota Statutes, section 245A.10,  
 20.14 subdivision 3, upon receipt of notice from  
 20.15 the commissioner. The commissioner shall  
 20.16 notify each provider of a general schedule  
 20.17 for licensing providers over calendar year  
 20.18 2008 and shall inform the provider of the  
 20.19 month during which that provider's licensing  
 20.20 inspection is expected to occur. Prior to  
 20.21 January 1, 2009, nonlicensure is not a  
 20.22 reason to terminate a provider's eligibility  
 20.23 for Medicaid reimbursement, unless a final  
 20.24 commissioner's order denying an application  
 20.25 or revoking a license has been issued.

20.26 **(e) Mental Health Grants**

20.27	<u>Appropriations by Fund</u>		
20.28	<u>General</u>	<u>56,694,000</u>	<u>59,849,000</u>
20.29	<u>Health Care Access</u>	<u>3,250,000</u>	<u>6,750,000</u>
20.30	<u>Lottery Prize</u>	<u>1,308,000</u>	<u>1,308,000</u>

20.31 **Base Adjustment.** The general fund base is  
 20.32 decreased by \$5,109,000 in fiscal year 2010  
 20.33 and by \$5,110,000 in fiscal year 2011 for  
 20.34 mental health grants. The health care access  
 20.35 fund is increased by \$1,750,000 in each of  
 20.36 fiscal years 2010 and 2011.

21.1 **(f) Deaf and Hard-of-Hearing Grants**

21.2	<u>General</u>	<u>1,884,000</u>	<u>2,312,000</u>
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21.3 **Base Adjustment.** The general fund base is  
 21.4 increased by \$4,000 in each of fiscal years  
 21.5 2010 and 2011 for deaf and hard-of-hearing  
 21.6 grants.

21.7 **(g) Chemical Dependency Entitlement Grants**

21.8	<u>General</u>	<u>78,880,000</u>	<u>88,867,000</u>
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21.9 **(h) Chemical Dependency Nonentitlement**  
21.10 **Grants**

21.11	<u>General</u>	<u>1,055,000</u>	<u>1,055,000</u>
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21.12 **(i) Other Continuing Care Grants**

21.13	<u>Appropriations by Fund</u>		
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21.14	<u>General</u>	<u>14,503,000</u>	<u>15,204,000</u>
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21.15	<u>Health Care Access</u>	<u>1,550,000</u>	<u>1,850,000</u>
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21.16 **Base Adjustment.** The general fund base  
 21.17 is increased by \$120,000 in fiscal year 2010  
 21.18 and by \$158,000 in fiscal year 2011 for other  
 21.19 continuing care grants.

21.20	<b><u>Subd. 9. Continuing Care Management</u></b>	<u>18,391,000</u>	<u>18,494,000</u>
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21.21	<u>Appropriations by Fund</u>		
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21.22	<u>General</u>	<u>17,705,000</u>	<u>17,798,000</u>
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21.23	<u>State Government</u>		
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21.24	<u>Special Revenue</u>	<u>121,000</u>	<u>123,000</u>
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21.25	<u>Health Care Access</u>	<u>414,000</u>	<u>419,000</u>
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21.26	<u>Lottery Prize</u>	<u>151,000</u>	<u>154,000</u>
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21.27	<b><u>Subd. 10. State-Operated Services</u></b>	<u>266,645,000</u>	<u>267,718,000</u>
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21.28	<u>General</u>	<u>266,645,000</u>	<u>267,718,000</u>
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21.29 **Transfer Authority Related to**21.30 **State-Operated Services.** Money21.31 appropriated to finance state-operated21.32 services programs and administrative21.33 services may be transferred between fiscal

22.1 years of the biennium with the approval of  
22.2 the commissioner of finance.

22.3 The amounts that may be spent from the  
22.4 appropriation for each purpose are as follows:

22.5 **(a) Mental Health Services**

22.6 General                      116,270,000      120,095,000

22.7 **Appropriation Limitation.** No part of  
22.8 the appropriation in this article to the  
22.9 commissioner for mental health treatment  
22.10 services at the regional treatment centers  
22.11 shall be used for the Minnesota sex offender  
22.12 program.

22.13 **(b) Minnesota Sex Offender Services**

22.14 General                      67,719,000      62,787,000

22.15 **(c) Minnesota Security Hospital and METO**  
22.16 **Services**

22.17 General                      82,656,000      84,836,000

22.18 **Minnesota Security Hospital.** For the  
22.19 purposes of enhancing the safety of  
22.20 the public, improving supervision, and  
22.21 enhancing community-based mental health  
22.22 treatment, state-operated services may  
22.23 establish additional community capacity  
22.24 for providing treatment and supervision  
22.25 of clients who have been ordered into a  
22.26 less restrictive alternative care from the  
22.27 state-operated services transitional services  
22.28 program consistent with Minnesota Statutes,  
22.29 section 246.014.

22.30 **Base Adjustment.** The general fund base  
22.31 is increased by \$1,659,000 in each of fiscal  
22.32 years 2010 and 2011 for the Minnesota  
22.33 Security Hospital.



24.1 funding is in addition to the loan forgiveness

24.2 program health care access fund base.

24.3 **Fetal Alcohol Spectrum Disorder. (a)**

24.4 On July 1 each fiscal year, the portion

24.5 of the general fund appropriation to the

24.6 commissioner of health for fetal alcohol

24.7 spectrum disorder administration and

24.8 grants shall be transferred to a statewide

24.9 organization that focuses solely on

24.10 prevention of and intervention with fetal

24.11 alcohol spectrum disorder as follows:

24.12 (1) on July 1, 2007, \$2,090,000; and

24.13 (2) on July 2, 2008, and annually thereafter,

24.14 \$2,090,000.

24.15 (b) The money shall be used for prevention

24.16 and intervention services and programs,

24.17 including, but not limited to, community

24.18 grants, professional education, public

24.19 awareness, and diagnosis. The organization

24.20 may retain \$60,000 of the transferred money

24.21 for administrative costs. The organization

24.22 shall report to the commissioner annually

24.23 by January 15 on the services and programs

24.24 funded by the appropriation.

24.25 **Subd. 3. Policy, Quality, and Compliance**

24.26 Appropriations by Fund

24.27	<u>General</u>	<u>3,677,000</u>	<u>3,689,000</u>
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24.28 State Government

24.29	<u>Special Revenue</u>	<u>13,403,000</u>	<u>13,497,000</u>
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24.30	<u>Health Care Access</u>	<u>27,859,000</u>	<u>25,006,000</u>
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24.31 **Health Care Access Survey. Of the**

24.32 health care access fund appropriation,

24.33 \$600,000 in fiscal year 2008 is appropriated

24.34 to the commissioner to conduct a health

24.35 insurance survey of Minnesota households,

25.1 in partnership with the State Health Access  
 25.2 Data Assistance Center at the University  
 25.3 of Minnesota. The commissioner shall  
 25.4 contract with the State Health Access Data  
 25.5 Assistance Center to conduct a survey that  
 25.6 provides information on the characteristics  
 25.7 of the uninsured in Minnesota and the  
 25.8 reasons for changing patterns of insurance  
 25.9 coverage and access to health care services.

25.10 This appropriation shall become part of the  
 25.11 agency's base budget for even-numbered  
 25.12 fiscal years.

25.13 **MERC. Of the health care access fund**  
 25.14 **appropriation, \$8,000,000 each fiscal year is**  
 25.15 **for distribution of MERC grants as follows:**

25.16 (1) \$5,000,000 according to Minnesota  
 25.17 Statutes, section 62J.692, subdivision 4,  
 25.18 paragraph (c);

25.19 (2) \$900,000 according to Minnesota  
 25.20 Statutes, section 62J.692, subdivision 4,  
 25.21 paragraph (d);

25.22 (3) \$100,000 according to Minnesota  
 25.23 Statutes, section 62J.692, subdivision 4,  
 25.24 paragraph (e); and

25.25 (4) \$2,000,000 according to Minnesota  
 25.26 Statutes, section 62J.692, subdivision 7a,  
 25.27 paragraph (b).

25.28 **Health Information Technology. Of**  
 25.29 **the health care access fund appropriation,**  
 25.30 **\$7,500,000 in fiscal year 2008 and**  
 25.31 **\$11,000,000 in fiscal year 2009 are to**  
 25.32 **implement Minnesota Statutes, section**  
 25.33 **144.3345. Up to \$750,000 each fiscal year is**  
 25.34 **available for grant administration and health**  
 25.35 **information technology technical assistance.**

26.1 This appropriation shall be included in the  
 26.2 agency's base budget for fiscal year 2010  
 26.3 only.

26.4 **Health Insurance Exchange.** Of the health  
 26.5 care access fund appropriation, \$8,950,000 in  
 26.6 fiscal year 2008 and \$3,150,000 in fiscal year  
 26.7 2009 are appropriated to the commissioner  
 26.8 to establish the health insurance exchange  
 26.9 in Minnesota Statutes, section 62A.76.

26.10 Up to \$50,000 in fiscal year 2008 and  
 26.11 \$10,000 in fiscal year 2009 are available  
 26.12 for administrative costs incurred by the  
 26.13 Department of Health in establishing and  
 26.14 providing grant funding to the legal entity  
 26.15 responsible for implementing the health  
 26.16 insurance exchange. This is a onetime  
 26.17 appropriation.

26.18 **Subd. 4. Health Protection**

26.19	<u>Appropriations by Fund</u>		
26.20	<u>General</u>	<u>22,705,000</u>	<u>17,831,000</u>
26.21	<u>State Government</u>		
26.22	<u>Special Revenue</u>	<u>25,965,000</u>	<u>26,674,000</u>

26.23 **Pandemic Influenza Preparedness.** Of  
 26.24 the general fund appropriation to the  
 26.25 commissioner, \$12,375,000 in fiscal year  
 26.26 2008 and \$7,375,000 in fiscal year 2009 are  
 26.27 for preparation, planning, and response to a  
 26.28 pandemic influenza outbreak.

26.29 (1) Of the fiscal year 2008 appropriation,  
 26.30 \$5,000,000 is to purchase antiviral  
 26.31 medications, \$5,000,000 is to prepare and  
 26.32 manage a stockpile of health care supplies,  
 26.33 \$1,375,000 is for department activities of  
 26.34 epidemiology, laboratory services, exercises,  
 26.35 and planning; and \$1,000,000 is for grants to  
 26.36 local public health and tribal governments

27.1 for planning, exercises, and preparedness for  
27.2 pandemic influenza.

27.3 (2) Of the fiscal year 2009 appropriation,  
27.4 \$5,000,000 is to prepare and manage a  
27.5 stockpile of health care supplies, \$1,375,000  
27.6 is for department activities of epidemiology,  
27.7 laboratory services, exercises, and planning;  
27.8 and \$1,000,000 is for grants to local public  
27.9 health and tribal governments for planning,  
27.10 exercises, and preparedness for pandemic  
27.11 influenza.

27.12 (3) Base funding for the 2010-2011 biennium  
27.13 is \$4,375,000 each fiscal year.

27.14 **Subd. 5. Minority and Multicultural Health**

27.15	<u>Appropriations by Fund</u>		
27.16	<u>General</u>	<u>4,992,000</u>	<u>5,002,000</u>
27.17	<u>Federal TANF</u>	<u>2,683,000</u>	<u>2,998,000</u>

27.18 **TANF Appropriations.** \$2,683,000 of the  
27.19 TANF funds in the first year and \$2,998,000  
27.20 in the second year are appropriated to  
27.21 the commissioner for home visiting and  
27.22 nutritional services listed under Minnesota  
27.23 Statutes, section 145.882, subdivision 7,  
27.24 clauses (6) and (7). Funding shall be  
27.25 distributed to tribal governments based  
27.26 on Minnesota Statutes, section 145A.14,  
27.27 subdivision 2, paragraph (b).

27.28 **Subd. 6. Administrative Support Services**

27.29	<u>Appropriations by Fund</u>		
27.30	<u>General</u>	<u>9,047,000</u>	<u>9,197,000</u>
27.31	<u>Health Care Access</u>	<u>2,000,000</u>	<u>2,000,000</u>

27.32 **Disease Surveillance.** Of the health care  
27.33 access fund appropriation, \$2,000,000  
27.34 each fiscal year is for redesigning and  
27.35 implementing coordinated and modern

28.1 disease surveillance systems for the  
 28.2 department. Base level funding for the  
 28.3 2012-2013 biennium will be \$600,000 each  
 28.4 fiscal year for maintaining and operating the  
 28.5 systems.

28.6 **Sec. 5. VETERANS NURSING HOMES**  
 28.7 **BOARD** \$ 44,124,000 \$ 46,244,000

28.8 **Repair and Betterments.** Of this  
 28.9 appropriation, \$4,000,000 in fiscal year  
 28.10 2008 and \$4,000,000 in fiscal year 2009  
 28.11 are to be used for repair, maintenance,  
 28.12 rehabilitation, and betterment activities at  
 28.13 facilities statewide.

28.14 **Base Adjustment.** The general fund base is  
 28.15 decreased by \$2,000,000 in fiscal year 2010  
 28.16 and \$2,000,000 in fiscal year 2011.

28.17 **Sec. 6. HEALTH-RELATED BOARDS**

28.18 **Subdivision 1. Total Appropriation** \$ 14,654,000 \$ 14,527,000

28.19 **Subd. 2. Board of Chiropractic Examiners** 450,000 447,000

28.20 **Subd. 3. Board of Dentistry** 987,000 1,009,000

28.21 **Subd. 4. Board of Dietetic and Nutrition**  
 28.22 **Practice** 103,000 119,000

28.23 **Base Adjustment.** Of this appropriation in  
 28.24 fiscal year 2009, \$14,000 is onetime.

28.25 **Subd. 5. Board of Marriage and Family**  
 28.26 **Therapy** 134,000 154,000

28.27 **Base Adjustment.** Of this appropriation in  
 28.28 fiscal year 2009, \$17,000 is onetime.

28.29 **Subd. 6. Board of Medical Practice** 4,120,000 3,674,000

28.30 **Subd. 7. Board of Nursing** 3,985,000 4,146,000

28.31 **Subd. 8. Board of Nursing Home**  
 28.32 **Administrators** 633,000 647,000

29.1 Administrative Services Unit. Of this  
 29.2 appropriation, \$430,000 in fiscal year  
 29.3 2008 and \$439,000 in fiscal year 2009 are  
 29.4 for the administrative services unit. The  
 29.5 administrative services unit may receive  
 29.6 and expend reimbursements for services  
 29.7 performed by other agencies.

29.8 Subd. 9. Board of Optometry 98,000 114,000

29.9 Base Adjustment. Of this appropriation in  
 29.10 fiscal year 2009, \$13,000 is onetime.

29.11 Subd. 10. Board of Pharmacy 1,375,000 1,442,000

29.12 Base Adjustment. Of this appropriation in  
 29.13 fiscal year 2009, \$29,000 is onetime.

29.14 Subd. 11. Board of Physical Therapy 306,000 295,000

29.15 Subd. 12. Board of Podiatry 54,000 63,000

29.16 Base Adjustment. Of this appropriation in  
 29.17 fiscal year 2009, \$7,000 is onetime.

29.18 Subd. 13. Board of Psychology 788,000 806,000

29.19 Subd. 14. Board of Social Work 997,000 1,022,000

29.20 Subd. 15. Board of Veterinary Medicine 230,000 195,000

29.21 Subd. 16. Board of Behavioral Health and  
 29.22 Therapy 394,000 394,000

29.23 Sec. 7. EMERGENCY MEDICAL SERVICES  
 29.24 BOARD \$ 4,220,000 \$ 4,264,000

<u>Appropriations by Fund</u>		
	<u>2008</u>	<u>2009</u>
29.26 <u>General</u>	<u>2,633,000</u>	<u>2,660,000</u>
29.27 <u>General (open)</u>	<u>900,000</u>	<u>900,000</u>
29.28 <u>State Government</u>		
29.29 <u>Special Revenue</u>	<u>687,000</u>	<u>704,000</u>

29.31 Health Professional Services Program.  
 29.32 \$687,000 in fiscal year 2008 and \$704,000 in  
 29.33 fiscal year 2009 from the state government

30.1 special revenue fund are for the health  
30.2 professional services program.

30.3 **Sec. 8. COUNCIL ON DISABILITY**

30.4 General \$ 507,000 \$ 515,000

30.5 **Sec. 9. OMBUDSMAN FOR MENTAL**  
30.6 **HEALTH AND DEVELOPMENTAL**  
30.7 **DISABILITIES**

30.8 General \$ 1,567,000 \$ 1,621,000

30.9 **Sec. 10. OMBUDSMAN FOR FAMILIES**

30.10 General \$ 251,000 \$ 257,000

30.11 **Sec. 11. TRANSFERS.**

30.12 Subdivision 1. **Grants.** The commissioner of human services, with the approval  
30.13 of the commissioner of finance and after notifying the chairs of the senate and house  
30.14 committees with jurisdiction, may transfer unencumbered appropriation balances for the  
30.15 biennium ending June 30, 2009, within fiscal years among the MFIP; general assistance;  
30.16 general assistance medical care; medical assistance; MFIP child care assistance under  
30.17 Minnesota Statutes, section 119B.05; Minnesota supplemental aid and group residential  
30.18 housing programs; and the entitlement portion of the chemical dependency consolidated  
30.19 treatment fund and between fiscal years of the biennium.

30.20 Subd. 2. **Administration.** Positions, salary money, and nonsalary administrative  
30.21 money may be transferred within the Departments of Human Services and Health and  
30.22 within the programs operated by the Veterans Nursing Homes Board as the commissioners  
30.23 and the board consider necessary, with the advance approval of the commissioner of  
30.24 finance. The commissioner or the board shall inform the chairs of the house and senate  
30.25 committees with jurisdiction quarterly about transfers made under this provision.

30.26 **Sec. 12. INDIRECT COSTS NOT TO FUND PROGRAMS.**

30.27 The commissioners of health and of human services shall not use indirect cost  
30.28 allocations to pay for the operational costs of any program for which they are responsible.

30.29 **Sec. 13. SUNSET OF UNCODIFIED LANGUAGE.**

30.30 All uncodified language contained in this article expires on June 30, 2009, unless a  
30.31 different expiration date is explicit.

31.1 Sec. 14. **EFFECTIVE DATE.**

31.2 The provisions in this article are effective July 1, 2007, unless a different effective  
 31.3 date is specified.

31.4 **ARTICLE 2**  
 31.5 **CHILD CARE**

31.6 Section 1. Minnesota Statutes 2006, section 119B.09, subdivision 1, is amended to read:

31.7 Subdivision 1. **General Eligibility requirements for ~~all applicants for child~~**  
 31.8 **care assistance.** (a) Child care services must be available to families who need child  
 31.9 care to find or keep employment or to obtain the training or education necessary to find  
 31.10 employment and who:

31.11 (1) have household income less than or equal to 250 percent of the federal poverty  
 31.12 guidelines, adjusted for family size, and meet the requirements of section 119B.05;  
 31.13 ~~receive MFIP assistance; and are participating in employment and training services under~~  
 31.14 ~~chapter 256J or 256K; or~~

31.15 (2) have household income less than or equal to 175 percent of the federal poverty  
 31.16 guidelines, adjusted for family size, at program entry and less than 250 percent of the  
 31.17 federal poverty guidelines, adjusted for family size, at program exit; or

31.18 (3) have household income less than or equal to 250 percent of the federal poverty  
 31.19 guidelines, adjusted for family size, and were a family whose child care assistance was  
 31.20 terminated due to insufficient funds under Minnesota Rules, part 3400.0183.

31.21 (b) Child care services must be made available as in-kind services.

31.22 (c) All applicants for child care assistance and families currently receiving child care  
 31.23 assistance must be assisted and required to cooperate in establishment of paternity and  
 31.24 enforcement of child support obligations for all children in the family as a condition  
 31.25 of program eligibility. For purposes of this section, a family is considered to meet the  
 31.26 requirement for cooperation when the family complies with the requirements of section  
 31.27 256.741.

31.28 **EFFECTIVE DATE.** This section is effective July 1, 2008.

31.29 Sec. 2. Minnesota Statutes 2006, section 119B.09, subdivision 7, is amended to read:

31.30 Subd. 7. **Date of eligibility for assistance.** (a) The date of eligibility for child  
 31.31 care assistance under this chapter is the later of the date the application was signed; the  
 31.32 beginning date of employment, education, or training; the date the infant is born for  
 31.33 applicants to the at-home infant care program; or the date a determination has been made

32.1 that the applicant is a participant in employment and training services under Minnesota  
32.2 Rules, part 3400.0080, ~~subpart 2a~~, or chapter 256J.

32.3 (b) Payment ceases for a family under the at-home infant child care program when a  
32.4 family has used a total of 12 months of assistance as specified under section 119B.035.  
32.5 Payment of child care assistance for employed persons on MFIP is effective the date of  
32.6 employment or the date of MFIP eligibility, whichever is later. Payment of child care  
32.7 assistance for MFIP or DWP participants in employment and training services is effective  
32.8 the date of commencement of the services or the date of MFIP or DWP eligibility,  
32.9 whichever is later. Payment of child care assistance for transition year child care must be  
32.10 made retroactive to the date of eligibility for transition year child care.

32.11 (c) Notwithstanding paragraph (b), payment of child care assistance for participants  
32.12 eligible under section 119B.05, may only be made retroactive for a maximum of six  
32.13 months from the date of application for child care assistance.

32.14 **EFFECTIVE DATE.** This section is effective July 1, 2008.

32.15 Sec. 3. Minnesota Statutes 2006, section 119B.09, is amended by adding a subdivision  
32.16 to read:

32.17 Subd. 11. **Payment of other child care expenses.** Payment, by a source other  
32.18 than the family, of part or all of a family's child care expenses not payable under chapter  
32.19 119B, does not affect the family's eligibility for child care assistance, and the amount  
32.20 paid is excluded from the family's income, if the funds are paid directly to the family's  
32.21 child care provider on behalf of the family. Child care providers who accept third-party  
32.22 payments must maintain family-specific documentation of payment source, amount, type  
32.23 of expenses, and time period covered by the payment.

32.24 Sec. 4. Minnesota Statutes 2006, section 119B.13, subdivision 6, is amended to read:

32.25 **Subd. 6. **Provider payments.**** (a) Counties or the state shall make vendor payments  
32.26 to the child care provider or pay the parent directly for eligible child care expenses.

32.27 (b) If payments for child care assistance are made to providers, the provider shall  
32.28 bill the county for services provided within ten days of the end of the service period. If  
32.29 bills are submitted within ten days of the end of the service period, a county or the state  
32.30 shall issue payment to the provider of child care under the child care fund within 30 days  
32.31 of receiving a bill from the provider. Counties or the state may establish policies that  
32.32 make payments on a more frequent basis.

32.33 (c) ~~All bills~~ If a provider has received an authorization of care and been issued a  
32.34 billing form for an eligible family, the bill must be submitted within 60 days of the last

33.1 date of service on the bill. A county may pay a bill submitted more than 60 days after  
 33.2 the last date of service if the provider shows good cause why the bill was not submitted  
 33.3 within 60 days. Good cause must be defined in the county's child care fund plan under  
 33.4 section 119B.08, subdivision 3, and the definition of good cause must include county  
 33.5 error. A county may not pay any bill submitted more than a year after the last date of  
 33.6 service on the bill.

33.7 (d) If a provider provided care for a time period without receiving an authorization  
 33.8 of care and a billing form for an eligible family, payment of child care assistance may only  
 33.9 be made retroactively for a maximum of six months from the date the provider is issued  
 33.10 an authorization of care and billing form.

33.11 ~~(d)~~ (e) A county may stop payment issued to a provider or may refuse to pay a  
 33.12 bill submitted by a provider if:

33.13 (1) the provider admits to intentionally giving the county materially false information  
 33.14 on the provider's billing forms; or

33.15 (2) a county finds by a preponderance of the evidence that the provider intentionally  
 33.16 gave the county materially false information on the provider's billing forms.

33.17 ~~(e)~~ (f) A county's payment policies must be included in the county's child care plan  
 33.18 under section 119B.08, subdivision 3. If payments are made by the state, in addition to  
 33.19 being in compliance with this subdivision, the payments must be made in compliance  
 33.20 with section 16A.124.

33.21 **Sec. 5. SCHOOL READINESS SERVICE AGREEMENTS.**

33.22 Subdivision 1. **Overview.** (a) Effective July 1, 2007, funds must be made available  
 33.23 to allow the commissioner to enter into school readiness service agreements (SRSA's)  
 33.24 with up to 50 child care providers for the dual purposes of supporting:

33.25 (1) improved school readiness for children; and

33.26 (2) economic stability for parents.

33.27 (b) A provider may be paid a rate above that currently allowed under Minnesota  
 33.28 Statutes, section 119B.13, if:

33.29 (1) the provider has entered into an SRSA with the commissioner;

33.30 (2) a family using that provider receives child care assistance under any provision in  
 33.31 Minnesota Statutes, chapter 119B, except Minnesota Statutes, section 119B.035;

33.32 (3) the family using that provider meets the criteria in this section; and

33.33 (4) funding is available under this section.

33.34 Subd. 2. **Provider eligibility.** (a) To be considered for an SRSA, a provider shall  
 33.35 apply to the commissioner. To be eligible to apply for an SRSA, a provider shall:

34.1 (1) be eligible for child care assistance payments under Minnesota Statutes, chapter  
 34.2 119B;

34.3 (2) have at least 25 percent of the children enrolled with the provider subsidized  
 34.4 through the child care assistance program;

34.5 (3) provide full-time, full-year child care services; and

34.6 (4) serve at least one child who is subsidized through the child care assistance  
 34.7 program and who is expected to enter kindergarten within the following 30 months.

34.8 (b) The commissioner may waive the 25 percent requirement in paragraph (a), clause  
 34.9 (2), if necessary to achieve geographic distribution of SRSA providers and diversity of  
 34.10 types of care provided by SRSA providers.

34.11 (c) An eligible provider who would like to enter into an SRSA with the commissioner  
 34.12 shall submit an SRSA application. To determine whether to enter into an SRSA with a  
 34.13 provider, the commissioner shall evaluate the following factors:

34.14 (1) the qualifications of the provider and the provider's staff;

34.15 (2) the provider's staff-child ratios;

34.16 (3) the provider's curriculum;

34.17 (4) the provider's current or planned parent education activities;

34.18 (5) the provider's current or planned social service and employment linkages;

34.19 (6) the provider's child development assessment plan;

34.20 (7) the geographic distribution needed for SRSA providers;

34.21 (8) the inclusion of a variety of child care delivery models; and

34.22 (9) other related factors determined by the commissioner.

34.23 Subd. 3. **Family and child eligibility.** (a) A family eligible to choose an SRSA  
 34.24 provider for their children shall:

34.25 (1) be eligible to receive child care assistance under any provision in Minnesota  
 34.26 Statutes, chapter 119B, except Minnesota Statutes, section 119B.035;

34.27 (2) be in an authorized activity for an average of at least 35 hours per week when  
 34.28 initial eligibility is determined; and

34.29 (3) include a child who has not yet entered kindergarten.

34.30 (b) A family who is determined to be eligible to choose an SRSA provider remains  
 34.31 eligible to be paid at a higher rate through the SRSA provider when the following  
 34.32 conditions exist:

34.33 (1) the child attends child care with the SRSA provider a minimum of 25 hours per  
 34.34 week, on average;

34.35 (2) the family has a child who has not yet entered kindergarten; and

35.1 (3) the family maintains eligibility under Minnesota Statutes, chapter 119B, except  
35.2 Minnesota Statutes, section 119B.035.

35.3 (c) For the 12 months after initial eligibility has been determined, a decrease in  
35.4 the family's authorized activities to an average of less than 35 hours per week does not  
35.5 result in ineligibility for the SRSA rate.

35.6 (d) A family that moves between counties but continues to use the same SRSA  
35.7 provider shall continue to receive SRSA funding for the increased payments.

35.8 Subd. 4. **Requirements of providers.** All SRSA's must include assessment,  
35.9 evaluation, and reporting requirements that promote the goals of improved school  
35.10 readiness and movement toward appropriate child development milestones. A provider  
35.11 who enters into an SRSA shall comply with the assessment, evaluation, and reporting  
35.12 requirements in the SRSA.

35.13 Subd. 5. **Relationship to current law.** The following provisions in Minnesota  
35.14 Statutes, chapter 119B, must be waived or modified for families receiving services under  
35.15 this section.

35.16 (a) Notwithstanding Minnesota Statutes, section 119B.13, subdivisions 1 and 1a,  
35.17 maximum weekly rates under this section are 125 percent of the existing maximum  
35.18 weekly rate for like-care. Providers eligible for a differential rate under Minnesota  
35.19 Statutes, section 119B.13, subdivision 3a, remain eligible for the differential above the  
35.20 rate identified in this section. Only care for children who have not yet entered kindergarten  
35.21 may be paid at the maximum rate under this section. The provider's charge for service  
35.22 provided through an SRSA may not exceed the rate that the provider charges a private-pay  
35.23 family for like-care arrangements.

35.24 (b) A family or child care provider may not be assessed an overpayment for care  
35.25 provided through an SRSA unless:

35.26 (1) there was an error in the amount of care authorized for the family; or

35.27 (2) the family or provider did not timely report a change as required under the law.

35.28 (c) Care provided through an SRSA is authorized on a weekly basis.

35.29 (d) Funds appropriated under this section to serve families eligible under Minnesota  
35.30 Statutes, section 119B.03, are not allocated through the basic sliding fee formula under  
35.31 Minnesota Statutes, section 119B.03. Funds appropriated under this section are used to  
35.32 offset increased costs when payments are made under SRSA's.

35.33 (e) Notwithstanding Minnesota Statutes, section 119B.09, subdivision 6, the  
35.34 maximum amount of child care assistance that may be authorized for a child receiving  
35.35 care through an SRSA in a two-week period is 160 hours per child.

36.1 Subd. 6. Establishment of service agreements. (a) The commissioner shall  
 36.2 approve SRSA's for up to 50 providers that represent diverse parts of the state and a  
 36.3 variety of child care delivery models. Entering into a service agreement does not guarantee  
 36.4 that a provider will receive payment at a higher rate for families receiving child care  
 36.5 assistance. A family eligible under this section shall choose a provider participating in an  
 36.6 SRSA in order for a higher rate to be paid. Payments through SRSA's are also limited by  
 36.7 the availability of SRSA funds.

36.8 (b) Nothing in this section shall be construed to limit parent choice as defined in  
 36.9 Minnesota Statutes, section 119B.09, subdivision 5.

36.10 (c) The commissioner may allow for startup time for some providers if failing to  
 36.11 do so would limit geographic diversity of SRSA providers or a variety of child care  
 36.12 delivery models.

### 36.13 ARTICLE 3

### 36.14 CHILDREN AND FAMILY

36.15 Section 1. Minnesota Statutes 2006, section 119B.05, subdivision 1, is amended to read:

36.16 Subdivision 1. **Eligible participants.** Families eligible for child care assistance  
 36.17 under the MFIP child care program are:

36.18 (1) MFIP participants who are employed or in job search and meet the requirements  
 36.19 of section 119B.10;

36.20 (2) persons who are members of transition year families under section 119B.011,  
 36.21 subdivision 20, and meet the requirements of section 119B.10;

36.22 (3) families who are participating in employment orientation or job search, or  
 36.23 other employment or training activities that are included in an approved employability  
 36.24 development plan under ~~section~~ sections 256J.09 and 256J.95;

36.25 (4) MFIP families who are participating in work job search, job support,  
 36.26 employment, or training activities as required in their employment plan, or in appeals,  
 36.27 hearings, assessments, or orientations according to chapter 256J;

36.28 (5) MFIP families who are participating in social services activities under chapter  
 36.29 256J as required in their employment plan approved according to chapter 256J;

36.30 (6) families who are participating in programs as required in tribal contracts under  
 36.31 section 119B.02, subdivision 2, or 256.01, subdivision 2; and

36.32 (7) families who are participating in the transition year extension under section  
 36.33 119B.011, subdivision 20a.

36.34 Sec. 2. Minnesota Statutes 2006, section 256.01, subdivision 18, is amended to read:

37.1 Subd. 18. **Immigration status verifications.** (a) Notwithstanding any waiver of  
 37.2 this requirement by the secretary of the United States Department of Health and Human  
 37.3 Services, effective July 1, 2001, the commissioner shall utilize the Systematic Alien  
 37.4 Verification for Entitlements (SAVE) program to conduct immigration status verifications:

37.5 (1) as required under United States Code, title 8, section 1642;

37.6 (2) for all applicants and recipients at recertification for food assistance benefits,  
 37.7 whether under the federal food stamp program, the MFIP ~~or work first program~~, or the  
 37.8 Minnesota food assistance program;

37.9 (3) for all applicants and recipients at recertification for general assistance medical  
 37.10 care, except assistance for an emergency medical condition, for immunization with respect  
 37.11 to an immunizable disease, or for testing and treatment of symptoms of a communicable  
 37.12 disease; and

37.13 (4) for all applicants and recipients at recertification for general assistance,  
 37.14 Minnesota supplemental aid, MinnesotaCare, or group residential housing, when the  
 37.15 benefits provided by these programs would fall under the definition of "federal public  
 37.16 benefit" under United States Code, title 8, section 1642, if federal funds were used to  
 37.17 pay for all or part of the benefits.

37.18 (b) The commissioner shall comply with the reporting requirements under United  
 37.19 States Code, title 42, section 611a, and any federal regulation or guidance adopted under  
 37.20 that law.

37.21 Sec. 3. Minnesota Statutes 2006, section 256J.02, subdivision 1, is amended to read:

37.22 Subdivision 1. **Commissioner's authority to administer block grant funds.** The  
 37.23 commissioner of human services is authorized to receive, administer, and expend funds  
 37.24 available under the TANF block grant authorized under title I of Public Law 104-193, the  
 37.25 Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and under  
 37.26 Public Law 109-171, the Deficit Reduction Act of 2005.

37.27 Sec. 4. Minnesota Statutes 2006, section 256J.02, subdivision 4, is amended to read:

37.28 Subd. 4. **Authority to transfer.** Subject to limitations of title I of Public Law  
 37.29 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996,  
 37.30 as amended, and under Public Law 109-171, the Deficit Reduction Act of 2005, the  
 37.31 legislature may transfer money from the TANF block grant to the child care fund under  
 37.32 chapter 119B, or the Title XX block grant.

38.1 Sec. 5. Minnesota Statutes 2006, section 256J.021, is amended to read:

38.2 **256J.021 SEPARATE STATE PROGRAM FOR USE OF STATE MONEY.**

38.3 ~~(a) Until October 1, 2006, the commissioner of human services must treat MFIP~~  
 38.4 ~~expenditures made to or on behalf of any minor child under section 256J.02, subdivision~~  
 38.5 ~~2, clause (1), who is a resident of this state under section 256J.12, and who is part of a~~  
 38.6 ~~two-parent eligible household as expenditures under a separately funded state program~~  
 38.7 ~~and report those expenditures to the federal Department of Health and Human Services as~~  
 38.8 ~~separate state program expenditures under Code of Federal Regulations, title 45, section~~  
 38.9 ~~263.5. Families receiving assistance under this section shall comply with all applicable~~  
 38.10 ~~requirements in this chapter.~~

38.11 (b) Beginning October 1, 2006, the commissioner of human services must treat  
 38.12 MFIP expenditures made to or on behalf of any minor child under section 256J.02,  
 38.13 subdivision 2, clause (1), ~~who is a resident of this state under section 256J.12, and who is~~  
 38.14 ~~part of a two-parent eligible household, as expenditures under a separately funded state~~  
 38.15 ~~program. These expenditures shall not count toward the state's maintenance of effort~~  
 38.16 ~~(MOE) requirements under the federal Temporary Assistance to Needy Families (TANF)~~  
 38.17 ~~program except if counting certain families would allow the commissioner to avoid a~~  
 38.18 ~~federal penalty. Families receiving assistance under this section must comply with all~~  
 38.19 ~~applicable requirements in this chapter.~~

38.20 (c) Beginning October 1, 2007, the commissioner of human services shall treat  
 38.21 MFIP expenditures made to or on behalf of any minor child under section 256J.02,  
 38.22 subdivision 2, clause (1), who is part of a household that meets criteria in clauses (1) to (4)  
 38.23 as expenditures under a separately funded state program:

38.24 (1) single eligible caregiver households when the adult is a refugee or asylee as  
 38.25 defined in Code of Federal Regulations, title 45, chapter IV, section 400.43, and the refugee  
 38.26 or asylee arrived in the United States in the 12 months prior to the date of application for  
 38.27 MFIP. These households will remain in the separately funded state program for six months  
 38.28 or until the caregiver has been in the United States for 12 months, whichever comes first;

38.29 (2) single eligible caregiver cases with an approved hardship extension under section  
 38.30 256J.425, subdivision 2;

38.31 (3) single eligible caregiver cases with an approved hardship extension under section  
 38.32 256J.425, subdivision 3; and

38.33 (4) single eligible caregiver cases with an approved hardship extension under section  
 38.34 256J.425, subdivision 4, clause (3).

38.35 (d) Beginning March 1, 2008, the commissioner of human services shall treat MFIP  
 38.36 expenditures made to or on behalf of any minor child under section 256J.02, subdivision

39.1 2, clause (1), who is part of a single eligible caregiver household that meets the criteria in  
 39.2 section 256J.32, subdivision 6, clause (6), as expenditures under a separately funded state  
 39.3 program. A household is no longer part of the separately funded program if the household  
 39.4 no longer meets the criteria in section 256J.32, subdivision 6, clause (6), item (iv), or  
 39.5 if it is determined at recertification that:

39.6 (1) a single eligible caregiver with a child under the age of six is working at least 87  
 39.7 hours per month in paid or unpaid employment; or

39.8 (2) a single eligible caregiver without a child under the age of six is working at least  
 39.9 130 hours per month in paid or unpaid employment.

39.10 (e) The expenditures in paragraphs (b) to (d) do not count toward the state's MOE  
 39.11 requirements under the federal TANF program.

39.12 Sec. 6. Minnesota Statutes 2006, section 256J.09, subdivision 3b, is amended to read:

39.13 Subd. 3b. **Interview to determine referrals and services.** If the applicant is  
 39.14 not diverted from applying for MFIP, and if the applicant meets the MFIP eligibility  
 39.15 requirements, then a county agency must:

39.16 (1) identify an applicant who is under the age of 20 without a high school diploma or  
 39.17 its equivalent and explain to the applicant the assessment procedures and employment  
 39.18 plan requirements under section 256J.54;

39.19 (2) explain to the applicant the eligibility criteria in section 256J.545 for the family  
 39.20 violence waiver, and what an applicant should do to develop an employment plan;

39.21 (3) explain that the activities and hourly requirements of the employment plan may  
 39.22 be adjusted to accommodate the personal and family circumstances of applicants who  
 39.23 meet the criteria in section 256J.561, subdivision 2, paragraph (d), and explain how a  
 39.24 person should report to the county agency any status changes, ~~and explain that an applicant~~  
 39.25 ~~who is not required to participate in employment services under section 256J.561 may~~  
 39.26 ~~volunteer to participate in employment and training services;~~

39.27 (4) ~~for applicants who are not exempt from the requirement to attend orientation;~~  
 39.28 arrange for an orientation under section 256J.45 and an assessment under section 256J.521;

39.29 (5) inform an applicant ~~who is not exempt from the requirement to attend orientation~~  
 39.30 that failure to attend the orientation is considered an occurrence of noncompliance with  
 39.31 program requirements and will result in an imposition of a sanction under section 256J.46;  
 39.32 **and**

39.33 (6) explain how to contact the county agency if an applicant has questions about  
 39.34 compliance with program requirements;;

40.1 (7) explain that before MFIP benefits can be issued to a family unit, the caregiver  
 40.2 shall, in conjunction with a job counselor, develop and sign an employment plan. In  
 40.3 two-parent family units, both parents shall develop and sign employment plans before  
 40.4 benefits can be issued. Food support and health care benefits are not contingent on the  
 40.5 requirement for a signed employment plan; and

40.6 (8) if child care is needed, the county agency shall obtain a completed application  
 40.7 for child care from the applicant before the interview is terminated. The same day the  
 40.8 application for child care is received, the application must be forwarded to the appropriate  
 40.9 child care worker.

40.10 **EFFECTIVE DATE.** This section is effective July 1, 2008.

40.11 Sec. 7. Minnesota Statutes 2006, section 256J.09, is amended by adding a subdivision  
 40.12 to read:

40.13 Subd. 11. **Employment plan; MFIP benefits.** As soon as possible, but no later  
 40.14 than ten working days after being notified that a participant is financially eligible for  
 40.15 the MFIP program, the employment services provider shall provide the participant  
 40.16 with an opportunity to meet to develop an initial employment plan. Once the initial  
 40.17 employment plan has been developed and signed by the participant and the job counselor,  
 40.18 the employment services provider shall notify the county within one working day that  
 40.19 the employment plan has been signed. The county shall issue MFIP benefits within one  
 40.20 working day after receiving notice that the employment plan has been signed.

40.21 **EFFECTIVE DATE.** This section is effective July 1, 2008.

40.22 Sec. 8. Minnesota Statutes 2006, section 256J.09, is amended by adding a subdivision  
 40.23 to read:

40.24 Subd. 12. **Immediate referral to employment services.** Within one working day  
 40.25 of determination that the applicant is eligible for the MFIP program, but before benefits  
 40.26 are issued to or on behalf of the family unit, the county shall refer all caregivers to  
 40.27 employment services. The referral to employment services must be in writing and must  
 40.28 contain the following information:

40.29 (1) notification that, as part of the application process, applicants are required to  
 40.30 develop an employment plan or the MFIP application will be denied;

40.31 (2) the employment services provider name and phone number;

40.32 (3) the immediate availability of supportive services including, but not limited to,  
 40.33 child care, transportation, and other work-related aid; and

41.1 (4) the rights, responsibilities, and obligations of participants in the program  
 41.2 including, but not limited to, the grounds for good cause, the consequences of refusing or  
 41.3 failing to participate fully with program requirements, and the appeal process.

41.4 **EFFECTIVE DATE.** This section is effective July 1, 2008.

41.5 Sec. 9. Minnesota Statutes 2006, section 256J.32, subdivision 6, is amended to read:

41.6 Subd. 6. **Recertification.** The county agency shall recertify eligibility in an annual  
 41.7 face-to-face interview with the participant and verify the following:

41.8 (1) presence of the minor child in the home, if questionable;

41.9 (2) income, unless excluded, including self-employment expenses used as a  
 41.10 deduction or deposits or withdrawals from business accounts;

41.11 (3) assets when the value is within \$200 of the asset limit;

41.12 (4) information to establish an exception under section 256J.24, subdivision 9,  
 41.13 if questionable; ~~and~~

41.14 (5) inconsistent information, if related to eligibility;

41.15 (6) beginning March 1, 2008, whether a single eligible caregiver household meets  
 41.16 requirements in items (i) to (iv) for inclusion in a separately funded state program under  
 41.17 section 256J.021, paragraph (d):

41.18 (i) the assistance unit has used 24 or more months of MFIP assistance at  
 41.19 recertification under this section;

41.20 (ii) the caregiver is not employed;

41.21 (iii) the caregiver is not meeting participation requirements under section 256J.55,  
 41.22 subdivision 1, paragraph (d), clauses (1) and (2); and

41.23 (iv) the caregiver meets at least one of the following criteria:

41.24 (A) a qualified professional has determined the caregiver is unable to obtain or retain  
 41.25 employment due to an illness, injury, or incapacity that is expected to last at least 60 days;

41.26 (B) a qualified professional has certified that the caregiver is required in the home to  
 41.27 provide care for a family member, a relative in the household, or a foster child with an  
 41.28 illness, injury, or incapacity that is expected to continue more than 60 days;

41.29 (C) a qualified professional has determined that the caregiver is needed in the home  
 41.30 to care for a child or adult meeting the special medical criteria in section 256J.561,  
 41.31 subdivision 2, paragraph (d), clause (3);

41.32 (D) a qualified professional has determined that the caregiver is pregnant and unable  
 41.33 to obtain or retain employment for at least 60 days due to the pregnancy;

41.34 (E) the caregiver has a documented disability and has applied for supplemental  
 41.35 security income or Social Security disability insurance and a determination is pending; and

42.1 (F) the caregiver qualifies for a family violence waiver under section 256J.545.

42.2 Sec. 10. Minnesota Statutes 2006, section 256J.42, subdivision 1, is amended to read:

42.3 Subdivision 1. **Time limit.** (a) Except as otherwise provided for in this section, an  
 42.4 assistance unit in which any adult caregiver has received 60 months of cash assistance  
 42.5 funded in whole or in part by the TANF block grant in this or any other state or  
 42.6 United States territory, or from a tribal TANF program, MFIP, the AFDC program  
 42.7 formerly codified in sections 256.72 to 256.87, or the family general assistance program  
 42.8 formerly codified in sections 256D.01 to 256D.23, funded in whole or in part by state  
 42.9 appropriations, is ineligible to receive MFIP. Any cash assistance funded with TANF  
 42.10 dollars in this or any other state or United States territory, or from a tribal TANF program,  
 42.11 or MFIP assistance funded in whole or in part by state appropriations, that was received  
 42.12 by the unit on or after the date TANF was implemented, including any assistance received  
 42.13 in states or United States territories of prior residence, counts toward the 60-month  
 42.14 limitation. Months during which any cash assistance is received by an assistance unit  
 42.15 with a mandatory member who is disqualified for wrongfully obtaining public assistance  
 42.16 under section 256.98, subdivision 8, counts toward the time limit for the disqualified  
 42.17 member. The 60-month limit applies to a minor caregiver except under subdivision 5. The  
 42.18 60-month time period does not need to be consecutive months for this provision to apply.

42.19 (b) The months before July 1998 in which individuals received assistance as part of  
 42.20 the field trials as an MFIP, MFIP-R, or MFIP or MFIP-R comparison group family are  
 42.21 not included in the 60-month time limit.

42.22 **EFFECTIVE DATE.** This section is effective October 1, 2007.

42.23 Sec. 11. Minnesota Statutes 2006, section 256J.42, subdivision 6, is amended to read:

42.24 Subd. 6. **Case review.** (a) Within 180 days, but not less than 60 days, before the end  
 42.25 of the participant's 60th month on assistance, the county agency or job counselor must  
 42.26 review the participant's case to determine if the employment plan is still appropriate ~~or if~~  
 42.27 ~~the participant is exempt under section 256J.56 from the employment and training services~~  
 42.28 ~~component~~, and attempt to meet with the participant face-to-face. Beginning March 1,  
 42.29 2008, for single caregiver households included in the separately funded nonmaintenance of  
 42.30 effort state program under section 256J.021, paragraph (c), clauses (2) to (4), the purpose  
 42.31 of the case review is to confirm criteria under section 256J.32, subdivision 6, clause (6).

42.32 (b) During the face-to-face meeting, a county agency or the job counselor must:

42.33 (1) inform the participant how many months of counted assistance the participant  
 42.34 has accrued and when the participant is expected to reach the 60th month;

43.1 (2) explain the hardship extension criteria under section 256J.425 and what the  
43.2 participant should do if the participant thinks a hardship extension applies;

43.3 (3) identify other resources that may be available to the participant to meet the  
43.4 needs of the family; and

43.5 (4) inform the participant of the right to appeal the case closure under section  
43.6 256J.40.

43.7 (c) If a face-to-face meeting is not possible, the county agency must send the  
43.8 participant a notice of adverse action as provided in section 256J.31, subdivisions 4 and 5.

43.9 (d) Before a participant's case is closed under this section, the county must ensure  
43.10 that:

43.11 (1) the case has been reviewed by the job counselor's supervisor or the review team  
43.12 designated by the county to determine if the criteria for a hardship extension, if requested,  
43.13 were applied appropriately; and

43.14 (2) the county agency or the job counselor attempted to meet with the participant  
43.15 face-to-face.

43.16 Sec. 12. Minnesota Statutes 2006, section 256J.425, is amended by adding a  
43.17 subdivision to read:

43.18 Subd. 9. **Simplified sanctions for extended cases.** (a) Beginning July 1, 2008, if  
43.19 one or both participants in an assistance unit receiving assistance under this section are  
43.20 not in compliance with the requirements in sections 256J.45 or 256J.515 to 256J.57, the  
43.21 following sanctions apply:

43.22 (1) for a first occurrence of noncompliance, an assistance unit is sanctioned under  
43.23 section 256J.46, subdivision 3, paragraph (d);

43.24 (2) for a second or third occurrence of noncompliance, the assistance unit is  
43.25 sanctioned under section 256J.46, subdivision 3, paragraph (e); and

43.26 (3) for a fourth occurrence of noncompliance, the assistance unit is disqualified  
43.27 from MFIP.

43.28 If a participant is determined to be out of compliance, the participant may claim a good  
43.29 cause exception under section 256J.57.

43.30 (b) If both participants in a two-parent assistance unit are out of compliance at the  
43.31 same time, it is considered one occurrence of noncompliance.

43.32 (c) If a two-parent assistance unit is extended under subdivision 3 or 4, and a parent  
43.33 who has not reached the 60-month time limit is out of compliance with the requirements  
43.34 in sections 256J.45 or 256J.515 to 256J.57 when the case is extended, the sanction in the

44.1 61st month is considered the first sanction for the purposes of applying the sanctions in  
 44.2 this subdivision, except that the sanction amount is reduced by 30 percent.

44.3 (d) If one or both participants in an assistance unit receiving assistance under this  
 44.4 section refuses to cooperate, as determined by the child support agency, with support  
 44.5 requirements under section 256.741, the following sanctions apply:

44.6 (1) for a first occurrence of noncooperation, the assistance unit's grant is reduced  
 44.7 by 30 percent of the applicable MFIP standard of need;

44.8 (2) for a second or third occurrence of noncompliance, the assistance unit is  
 44.9 sanctioned under section 256J.46, subdivision 3, paragraph (e); and

44.10 (3) for a fourth occurrence of noncompliance, the assistance unit is disqualified  
 44.11 from MFIP.

44.12 (e) A participant subject to a sanction for refusal to comply with child support  
 44.13 requirements and subject to a concurrent employment services sanction is subject to  
 44.14 sanctions under paragraphs (f) to (i).

44.15 (f) If the participant was sanctioned for:

44.16 (1) noncompliance under paragraph (a) before being subject to sanction for  
 44.17 noncooperation under paragraph (d); or

44.18 (2) noncooperation under paragraph (d) before being subject to sanction for  
 44.19 noncompliance under paragraph (a), the participant is considered to have second  
 44.20 occurrence of noncompliance and shall be sanctioned under section 256J.46, subdivision  
 44.21 3, paragraph (e). Each subsequent occurrence of noncompliance is considered one  
 44.22 additional occurrence and is subject to the applicable level of sanction under section  
 44.23 256J.46, subdivision 3.

44.24 (g) A participant who first becomes subject to sanction under both paragraphs (a)  
 44.25 and (d) in the same month is subject to sanction as follows:

44.26 (1) in the first month of noncompliance and noncooperation, the participant's grant  
 44.27 is reduced by 30 percent of the applicable MFIP standard of need, with any residual  
 44.28 amount paid to the participant;

44.29 (2) in the second or third month of noncompliance and noncooperation, the  
 44.30 participant is subject to the sanction under section 256J.46, subdivision 3, paragraph  
 44.31 (e); and

44.32 (3) on the fourth month of noncompliance and noncooperation, the participant is  
 44.33 disqualified.

44.34 (h) A participant remains subject to sanction under paragraph (d) if the participant:

44.35 (1) returns to compliance and is no longer subject to sanction for noncompliance  
 44.36 with section 256J.45 or sections 256J.515 to 256J.57; or

45.1 (2) has the sanction for noncompliance with section 256J.45 or sections 256J.515 to  
45.2 256J.57 removed upon completion of the review under section 256J.46, subdivision 3,  
45.3 paragraph (f).

45.4 (i) A participant remains subject to sanction under paragraph (a) if the participant  
45.5 cooperates and is no longer subject to sanction under paragraph (d).

45.6 Sec. 13. Minnesota Statutes 2006, section 256J.425, is amended by adding a  
45.7 subdivision to read:

45.8 Subd. 10. **Status of disqualified participants under simplified sanctions.**

45.9 (a) Beginning July 1, 2008, an assistance unit that is disqualified under subdivision  
45.10 9, paragraph (a), may be approved for MFIP if the participant complies with MFIP  
45.11 requirements and demonstrates compliance for up to one month. No assistance shall be  
45.12 paid during this period.

45.13 (b) An assistance unit that is disqualified under subdivision 9 and that reappplies  
45.14 under paragraph (a) is subject to sanction under section 256J.46, subdivision 3, paragraph  
45.15 (e), for a first occurrence of noncompliance. A subsequent occurrence of noncompliance  
45.16 results in a permanent disqualification.

45.17 (c) If one participant in a two-parent assistance unit receiving assistance under a  
45.18 hardship extension under subdivision 3 or 4 is determined to be out of compliance with  
45.19 MFIP requirements, the county shall give the assistance unit the option of disqualifying  
45.20 the noncompliant participant from MFIP. In that case, the assistance unit is treated  
45.21 as a one-parent assistance unit for the purposes of meeting the work requirements  
45.22 under subdivision 4, and the assistance unit's MFIP grant is calculated using the shared  
45.23 household standard under section 256J.08, subdivision 82a. An applicant who is  
45.24 disqualified from receiving assistance under this paragraph may reapply under paragraph  
45.25 (a). If a participant is disqualified from MFIP under this subdivision a second time, the  
45.26 participant is permanently disqualified from MFIP.

45.27 (d) Prior to a disqualification under this subdivision, a county agency must review  
45.28 the participant's case to determine if the employment plan is still appropriate and attempt  
45.29 to meet with the participant face-to-face. If a face-to-face meeting is not conducted, the  
45.30 county agency shall send the participant a notice of adverse action as provided in section  
45.31 256J.31. During the face-to-face meeting, the county agency shall:

45.32 (1) determine whether the continued noncompliance can be explained and mitigated  
45.33 by providing a needed preemployment activity, as defined in section 256J.49, subdivision  
45.34 13, clause (9);

46.1 (2) determine whether the participant qualifies for a good cause exception under  
46.2 section 256J.57;

46.3 (3) inform the participant of the family violence waiver criteria and make appropriate  
46.4 referrals if the waiver is requested;

46.5 (4) inform the participant of the participant's sanction status and explain the  
46.6 consequences of continuing noncompliance;

46.7 (5) identify other resources that may be available to the participant to meet the  
46.8 needs of the family; and

46.9 (6) inform the participant of the right to appeal under section 256J.40.

46.10 Sec. 14. Minnesota Statutes 2006, section 256J.46, is amended by adding a subdivision  
46.11 to read:

46.12 Subd. 3. **Simplified sanctions.** (a) Beginning July 1, 2008, a participant who fails  
46.13 without good cause under section 256J.57 to comply with the requirements of this chapter,  
46.14 and who is not subject to a sanction under subdivision 4, is subject to a sanction under this  
46.15 subdivision. Prior to the imposition of a sanction, a county agency shall provide a notice  
46.16 of intent to sanction under section 256J.57, subdivision 2, and, when applicable, a notice  
46.17 of adverse action under section 256J.31.

46.18 (b) A sanction under this subdivision becomes effective the month following the  
46.19 month in which a required notice is given. A sanction is not imposed when a participant  
46.20 comes into compliance with the requirements for orientation under section 256J.45 prior to  
46.21 the effective date of the sanction. A sanction is not imposed when a participant comes into  
46.22 compliance with the requirements for employment and training services under sections  
46.23 256J.515 to 256J.57 ten days prior to the effective date of the sanction. For purposes of  
46.24 this subdivision, each month that a participant fails to comply with a requirement of  
46.25 this chapter is considered a separate occurrence of noncompliance. If both participants  
46.26 in a two-parent assistance unit are out of compliance at the same time, it is considered  
46.27 one occurrence of noncompliance.

46.28 (c) Sanctions for noncompliance are imposed as prescribed by paragraphs (d) and (e).

46.29 (d) For the first occurrence of noncompliance by a participant in an assistance  
46.30 unit, the assistance unit's grant is reduced by ten percent of the MFIP standard of need  
46.31 for an assistance unit of the same size with the residual grant paid to the participant.  
46.32 The reduction in the grant amount must be in effect for a minimum of one month and is  
46.33 removed in the month following the month that the participant returns to compliance.

46.34 (e) For a second or third occurrence of noncompliance by a participant in an  
46.35 assistance unit, the assistance unit's shelter costs must be vendor paid up to the amount

47.1 of the cash portion of the MFIP grant for which the assistance unit is eligible. At county  
47.2 option, the assistance unit's utilities may also be vendor paid up to the amount of the  
47.3 cash portion of the MFIP grant remaining after vendor payment of the assistance unit's  
47.4 shelter costs. The residual amount of the grant after vendor payment, if any, is reduced  
47.5 by an amount equal to 30 percent of the MFIP standard of need for an assistance unit of  
47.6 the same size before the residual grant is paid to the assistance unit. The reduction in  
47.7 the grant amount must be in effect for a minimum of one month and is removed in the  
47.8 month following the month that the participant in a one-parent assistance unit returns to  
47.9 compliance. In a two-parent assistance unit, the grant reduction must be in effect for a  
47.10 minimum of one month and is removed in the month following the month both participants  
47.11 return to compliance. The vendor payment of shelter costs and utilities must be removed  
47.12 six months after the month in which the participant or participants return to compliance. If  
47.13 an assistance unit is sanctioned under this paragraph, the participant's case file must be  
47.14 reviewed to determine if the employment plan is still appropriate.

47.15 (f) For a fourth occurrence of noncompliance by a participant in an assistance unit,  
47.16 or when the participants in a two-parent assistance unit have a total of four occurrences  
47.17 of noncompliance, the county agency shall close the MFIP assistance unit's financial  
47.18 assistance case, including both the cash and food portions, and redetermine the family's  
47.19 continued eligibility for food support payments. The MFIP case must remain closed  
47.20 for a minimum of one full month. Before the case is closed, the county agency shall  
47.21 review the participant's case to determine if the employment plan is still appropriate and  
47.22 attempt to meet with the participant face-to-face. The participant may bring an advocate to  
47.23 the face-to-face meeting. If a face-to-face meeting is not conducted, the county agency  
47.24 shall send the participant a written notice that includes the information required under  
47.25 paragraph (g).

47.26 (g) During the face-to-face meeting in paragraph (f), the county agency must:

47.27 (1) determine whether the continued noncompliance can be explained and mitigated  
47.28 by providing a needed preemployment activity, as defined in section 256J.49, subdivision  
47.29 13, clause (9);

47.30 (2) determine whether the participant qualifies for a good cause exception under  
47.31 section 256J.57, or if the sanction is for noncooperation with child support requirements,  
47.32 determine if the participant qualifies for a good cause exemption under section 256.741,  
47.33 subdivision 10;

47.34 (3) determine whether the work activities in the employment plan are appropriate  
47.35 based on the criteria in section 256J.521, subdivision 2 or 3;

47.36 (4) determine whether the participant qualifies for the family violence waiver;

48.1 (5) inform the participant of the participant's sanction status and explain the  
48.2 consequences of continuing noncompliance;

48.3 (6) identify other resources that may be available to the participant to meet the  
48.4 needs of the family; and

48.5 (7) inform the participant of the right to appeal under section 256J.40.

48.6 If the lack of an identified activity or service can explain the noncompliance, the  
48.7 county must work with the participant to provide the identified activity.

48.8 The grant must be restored to the full amount for which the assistance unit is eligible  
48.9 retroactively to the first day of the month in which the participant was found to lack  
48.10 preemployment activities, a family violence waiver, or for a good cause exemption under  
48.11 section 256.741, subdivision 10, or 256J.57.

48.12 (h) For the purpose of applying sanctions under this subdivision, only occurrences of  
48.13 noncompliance that occur after July 1, 2008, are considered. If the participant is in 30  
48.14 percent sanction in the month this section takes effect, that month counts as the first  
48.15 occurrence for purposes of applying the sanctions under this section, but the sanction  
48.16 must remain at 30 percent for that month.

48.17 (i) An assistance unit whose case is closed under paragraph (f) or (j), may reapply  
48.18 for MFIP and is eligible if the participant complies with MFIP program requirements and  
48.19 demonstrates compliance for up to one month. No assistance is paid during this period.

48.20 (j) An assistance unit whose case has been closed for noncompliance that reapplies  
48.21 under paragraph (i) is subject to sanction under paragraph (e) for a first occurrence of  
48.22 noncompliance. Any subsequent occurrence of noncompliance results in case closure  
48.23 under paragraph (f).

48.24 Sec. 15. Minnesota Statutes 2006, section 256J.46, is amended by adding a subdivision  
48.25 to read:

48.26 Subd. 4. **Simplified sanctions for refusal to cooperate with support**  
48.27 **requirements.** Beginning July 1, 2008, an MFIP caregiver who refuses to cooperate, as  
48.28 determined by the child support enforcement agency, with support requirements under  
48.29 section 256.741, is subject to sanction under this subdivision and subdivision 1. For a first  
48.30 occurrence of noncooperation, the assistance unit's grant must be reduced by 30 percent of  
48.31 the applicable MFIP standard of need. Subsequent occurrences of noncooperation must be  
48.32 subject to sanction under subdivision 3, paragraphs (e) and (f). The residual amount of the  
48.33 grant, if any, is paid to the caregiver. A sanction under this subdivision becomes effective  
48.34 the first month following the month in which a required notice is given. A sanction is not  
48.35 imposed when a caregiver comes into compliance with the requirements under section

49.1 256.741 prior to the effective date of the sanction. The sanction is removed in the month  
49.2 following the month that the caregiver cooperates with the support requirements. Each  
49.3 month that an MFIP caregiver fails to comply with the requirements of section 256.741 is  
49.4 considered a separate occurrence of noncompliance for the purpose of applying sanctions  
49.5 under subdivision 3, paragraphs (e) and (f).

49.6 Sec. 16. Minnesota Statutes 2006, section 256J.46, is amended by adding a subdivision  
49.7 to read:

49.8 Subd. 5. **Simplified dual sanctions.** (a) Beginning July 1, 2008, notwithstanding  
49.9 the provisions of subdivisions 3 and 4, for a participant subject to a sanction for refusal to  
49.10 comply with child support requirements under subdivision 4 and subject to a concurrent  
49.11 sanction for refusal to cooperate with other program requirements under subdivision 3,  
49.12 sanctions must be imposed in the manner prescribed in this subdivision. Any vendor  
49.13 payment of shelter costs or utilities under this subdivision must remain in effect for six  
49.14 months after the month in which the participant is no longer subject to sanction under  
49.15 subdivision 3.

49.16 (b) If the participant was subject to sanction for:

49.17 (1) noncompliance under subdivision 3 before being subject to sanction for  
49.18 noncooperation under subdivision 4; or

49.19 (2) noncooperation under subdivision 4 before being subject to sanction for  
49.20 noncompliance under subdivision 3,

49.21 the participant is considered to have a second occurrence of noncompliance and is  
49.22 sanctioned as provided in subdivision 3, paragraph (e). Each subsequent occurrence of  
49.23 noncompliance is considered one additional occurrence and is subject to the applicable  
49.24 level of sanction under subdivision 3. The requirement that the county conduct a review  
49.25 as specified in subdivision 3, paragraph (f), remains in effect.

49.26 (c) A participant who first becomes subject to sanction under both subdivisions 3  
49.27 and 4 in the same month is subject to sanction as follows:

49.28 (1) in the first month of noncompliance and noncooperation, the participant's grant  
49.29 must be reduced by 30 percent of the applicable MFIP standard of need, with any residual  
49.30 amount paid to the participant;

49.31 (2) in the second and subsequent months of noncompliance and noncooperation,  
49.32 the participant is subject to the applicable level of sanction under subdivision 3. The  
49.33 requirement that the county conduct a review as specified in subdivision 3, paragraph  
49.34 (f), remains in effect.

49.35 (d) A participant remains subject to sanction under subdivision 4 if the participant:

50.1 (1) returns to compliance and is no longer subject to sanction for noncompliance  
 50.2 with section 256J.45 or sections 256J.515 to 256J.57; or

50.3 (2) has the sanction for noncompliance with section 256J.45 or sections 256J.515 to  
 50.4 256J.57 removed upon completion of the review under subdivision 3, paragraph (f).

50.5 (e) A participant remains subject to the applicable level of sanction under subdivision  
 50.6 3 if the participant cooperates and is no longer subject to sanction under subdivision 4.

50.7 Sec. 17. Minnesota Statutes 2006, section 256J.49, subdivision 13, is amended to read:

50.8 Subd. 13. **Work activity.** "Work activity" means any activity in a participant's  
 50.9 approved employment plan that leads to employment. For purposes of the MFIP program,  
 50.10 this includes activities that meet the definition of work activity under the participation  
 50.11 requirements of TANF. Work activity includes:

50.12 (1) unsubsidized employment, including work study and paid apprenticeships or  
 50.13 internships;

50.14 (2) subsidized private sector or public sector employment, including grant diversion  
 50.15 as specified in section 256J.69, on-the-job training as specified in section 256J.66,  
 50.16 ~~the self-employment investment demonstration program (SEID) as specified in section~~  
 50.17 ~~256J.65~~; paid work experience, and supported work when a wage subsidy is provided;

50.18 (3) unpaid work experience, including community service, volunteer work, the  
 50.19 community service work experience program as specified in section ~~256J.67~~ 256J.675,  
 50.20 unpaid apprenticeships or internships, and supported work when a wage subsidy is not  
 50.21 provided;

50.22 (4) job search including job readiness assistance, job clubs, job placement,  
 50.23 job-related counseling, and job retention services;

50.24 (5) job readiness education, including English as a second language (ESL) or  
 50.25 functional work literacy classes as limited by the provisions of section 256J.531,  
 50.26 subdivision 2, general educational development (GED) course work, high school  
 50.27 completion, and adult basic education as limited by the provisions of section 256J.531,  
 50.28 subdivision 1;

50.29 (6) job skills training directly related to employment, including education and  
 50.30 training that can reasonably be expected to lead to employment, as limited by the  
 50.31 provisions of section 256J.53;

50.32 (7) providing child care services to a participant who is working in a community  
 50.33 service program;

50.34 (8) activities included in the employment plan that is developed under section  
 50.35 256J.521, subdivision 3; and

51.1 (9) preemployment activities including chemical and mental health assessments,  
 51.2 treatment, and services; learning disabilities services; child protective services; family  
 51.3 stabilization services; or other programs designed to enhance employability.

51.4 Sec. 18. Minnesota Statutes 2006, section 256J.50, subdivision 1, is amended to read:

51.5 Subdivision 1. **Employment and training services component of MFIP.** (a) Each  
 51.6 county must develop and provide an employment and training services component which  
 51.7 is designed to put participants on the most direct path to unsubsidized employment.

51.8 Participation in these services is mandatory for all MFIP caregivers, ~~unless the caregiver~~  
 51.9 ~~is exempt under section 256J.56.~~

51.10 (b) Effective July 1, 2008, a county must provide employment and training services  
 51.11 under sections 256J.515 to 256J.74 within ~~30~~ ten days after the caregiver is determined  
 51.12 eligible for MFIP, or within ten days when the caregiver participated in the diversionary  
 51.13 work program under section 256J.95 within the past 12 months.

51.14 Sec. 19. Minnesota Statutes 2006, section 256J.521, is amended by adding a  
 51.15 subdivision to read:

51.16 Subd. 6. **Employment plan; nonmaintenance of effort; single caregivers.** (a)  
 51.17 When a single caregiver is moved to the nonmaintenance of effort state-funded program  
 51.18 under section 256J.021, paragraphs (c) and (d), the single caregiver shall develop or revise  
 51.19 the employment plan as specified in this subdivision with a job counselor or county. The  
 51.20 plan must address issues interfering with employment, including physical and mental  
 51.21 health, substance use, and social service issues of the caregiver and their family. Job  
 51.22 search and employment must also be included in the plan to the extent possible.

51.23 (b) Counties must coordinate services by ensuring that all workers involved with  
 51.24 the family communicate on a regular basis, and that expectations for the family across  
 51.25 service areas lead to common goals.

51.26 (c) Activities and hourly requirements in the employment plan may be adjusted as  
 51.27 necessary to accommodate the personal and family circumstances of the participant.  
 51.28 Participants who no longer meet the criteria for the nonmaintenance of effort state-funded  
 51.29 program shall meet with the job counselor or county within ten days of the determination  
 51.30 to revise the employment plan.

51.31 Sec. 20. Minnesota Statutes 2006, section 256J.531, is amended to read:

51.32 **256J.531 BASIC EDUCATION; ENGLISH AS A SECOND LANGUAGE.**

52.1 Subdivision 1. **Approval of adult basic education.** With the exception of classes  
 52.2 related to obtaining a general educational development credential (GED), a participant  
 52.3 must have reading or mathematics proficiency below a ninth grade level in order for adult  
 52.4 basic education classes to be an approved work activity. ~~The employment plan must also~~  
 52.5 ~~specify that the participant fulfill no more than one-half of the participation requirements~~  
 52.6 ~~in section 256J.55, subdivision 1, through attending adult basic education or general~~  
 52.7 ~~educational development classes.~~

52.8 Subd. 2. **Approval of English as a second language.** In order for English as a  
 52.9 second language (ESL) classes to be an approved work activity in an employment plan, a  
 52.10 participant must be below a spoken language proficiency level of SPL6 or its equivalent,  
 52.11 as measured by a nationally recognized test. In approving ESL as a work activity, the job  
 52.12 counselor must give preference to enrollment in a functional work literacy program,  
 52.13 if one is available, over a regular ESL program. A participant may not be approved  
 52.14 for more than a combined total of 24 months of ESL classes while participating in the  
 52.15 diversionary work program and the employment and training services component of  
 52.16 MFIP. ~~The employment plan must also specify that the participant fulfill no more than~~  
 52.17 ~~one-half of the participation requirements in section 256J.55, subdivision 1, through~~  
 52.18 ~~attending ESL classes. For participants enrolled in functional work literacy classes, no~~  
 52.19 ~~more than two-thirds of the participation requirements in section 256J.55, subdivision 1,~~  
 52.20 ~~may be met through attending functional work literacy classes.~~

52.21 **EFFECTIVE DATE.** This section is effective October 1, 2007.

52.22 Sec. 21. Minnesota Statutes 2006, section 256J.626, subdivision 7, is amended to read:

52.23 Subd. 7. **Performance base funds.** (a) Beginning calendar year 2005, each county  
 52.24 and tribe will be allocated 95 percent of their initial calendar year allocation. Counties and  
 52.25 tribes will be allocated additional funds based on performance as follows:

52.26 ~~(1) for calendar year 2005, a county or tribe that achieves a 30 percent rate or higher~~  
 52.27 ~~on the MFIP participation rate under section 256J.751, subdivision 2, clause (8), as~~  
 52.28 ~~averaged across the four quarterly measurements for the most recent year for which the~~  
 52.29 ~~measurements are available, will receive an additional allocation equal to 2.5 percent of~~  
 52.30 ~~its initial allocation; and~~

52.31 ~~(2) for calendar year 2006, a county or tribe that achieves a 40 percent rate or a~~  
 52.32 ~~five percentage point improvement over the previous year's MFIP participation rate~~  
 52.33 ~~under section 256J.751, subdivision 2, clause (8), as averaged across the four quarterly~~  
 52.34 ~~measurements for the most recent year for which the measurements are available, will~~  
 52.35 ~~receive an additional allocation equal to 2.5 percent of its initial allocation; and~~

53.1 ~~(3) for calendar year 2007, a county or tribe that achieves a 50 percent rate or a~~  
 53.2 ~~five percentage point improvement over the previous year's MFIP participation rate~~  
 53.3 ~~under section 256J.751, subdivision 2, clause (8), as averaged across the four quarterly~~  
 53.4 ~~measurements for the most recent year for which the measurements are available, will~~  
 53.5 ~~receive an additional allocation equal to 2.5 percent of its initial allocation; and~~

53.6 (4) (1) for calendar year 2008, a county or tribe that achieves a 50 percent MFIP work  
 53.7 participation rate as specified in the Personal Responsibility and Work Responsibility Act,  
 53.8 Public Law 104-193, applied to all MFIP cases except child-only cases, as averaged across  
 53.9 the four quarterly measurements for the most recent year for which the measurements are  
 53.10 available, must receive an additional allocation equal to 2.5 percent of its initial allocation;

53.11 (2) for calendar year 2009 and yearly thereafter, a county or tribe that achieves  
 53.12 a 50 percent MFIP TANF work participation rate under section 256J.751, subdivision 2,  
 53.13 clause (7), as averaged across the four quarterly measurements for the most recent year  
 53.14 for which the measurements are available, will receive an additional allocation equal  
 53.15 to 2.5 percent of its initial allocation; and

53.16 ~~(5) (3) for calendar years 2005 and thereafter, a county or tribe that performs above~~  
 53.17 ~~the top of its annualized range of expected performance on the three-year self-support~~  
 53.18 ~~index under section 256J.751, subdivision 2, clause (7) (6), will receive an additional~~  
 53.19 ~~allocation equal to five percent of its initial allocation; or~~

53.20 ~~(6) (4) for calendar years 2005 and thereafter, a county or tribe that performs within~~  
 53.21 ~~its range of expected performance on the annualized three-year self-support index under~~  
 53.22 ~~section 256J.751, subdivision 2, clause (7) (6), will receive an additional allocation equal~~  
 53.23 ~~to 2.5 percent of its initial allocation.~~

53.24 (b) Performance-based funds for a federally approved tribal TANF program in which  
 53.25 the state and tribe have in place a contract under section 256.01, addressing consolidated  
 53.26 funding, will be allocated as follows:

53.27 (1) for calendar year 2006 and yearly thereafter, a tribe that achieves the participation  
 53.28 rate approved in its federal TANF plan using the average of four quarterly measurements  
 53.29 for the most recent year for which the measurements are available, will receive an  
 53.30 additional allocation equal to 2.5 percent of its initial allocation; and

53.31 (2) for calendar years 2006 and thereafter, a tribe that performs above the top of its  
 53.32 annualized range of expected performance on the three-year self-support index under  
 53.33 section 256J.751, subdivision 2, clause ~~(7) (6)~~, will receive an additional allocation equal  
 53.34 to five percent of its initial allocation; or

53.35 (3) for calendar years 2006 and thereafter, a tribe that performs within its range  
 53.36 of expected performance on the annualized three-year self-support index under section

54.1 256J.751, subdivision 2, clause ~~(7)~~ (6), will receive an additional allocation equal to 2.5  
54.2 percent of its initial allocation.

54.3 (c) Funds remaining unallocated after the performance-based allocations in  
54.4 paragraph (a) are available to the commissioner for innovation projects under subdivision  
54.5 5.

54.6 (d)(1) If available funds are insufficient to meet county and tribal allocations  
54.7 under paragraph (a), the commissioner may make available for allocation funds that are  
54.8 unobligated and available from the innovation projects through the end of the current  
54.9 biennium.

54.10 (2) If after the application of clause (1) funds remain insufficient to meet county and  
54.11 tribal allocations under paragraph (a), the commissioner must proportionally reduce the  
54.12 allocation of each county and tribe with respect to their maximum allocation available  
54.13 under paragraph (a).

54.14 Sec. 22. Minnesota Statutes 2006, section 256J.626, is amended by adding a  
54.15 subdivision to read:

54.16 Subd. 10. **Specialized employment.** Beginning July 1, 2007, the commissioner  
54.17 shall make funds available annually to counties and tribes to develop paid and unpaid  
54.18 work experience positions for MFIP participants with no recent work history. The  
54.19 commissioner shall develop a process for approving requests and allocating funding in  
54.20 consultation with the counties and tribes.

54.21 Sec. 23. **[256J.675] COMMUNITY SERVICE WORK EXPERIENCE.**

54.22 Subdivision 1. **Employment options.** Community service work experience  
54.23 positions developed under this section are limited to projects that serve a useful public  
54.24 service such as health care, social service, environmental protection, education, urban and  
54.25 rural development and redevelopment, welfare, recreation, public facilities, public safety,  
54.26 community service, services to aged or disabled citizens, and child care. To the extent  
54.27 possible, the prior training, skills, and experience of a participant must be considered in  
54.28 making appropriate work experience assignments.

54.29 Subd. 2. **Placing participants in community service work experience.** As a  
54.30 condition of placing a participant in a program under this section, the county agency  
54.31 shall ensure that:

54.32 (1) a participant is first given the opportunity for placement in suitable unsubsidized  
54.33 employment through participation in job search, or through participation in on-the-job  
54.34 training if such employment is available;

55.1 (2) after three months of participation in a community service work experience  
 55.2 placement, and at the conclusion of each community service work experience assignment  
 55.3 under this section, the participant's employment plan is revised as appropriate;

55.4 (3) the maximum number of hours any participant works under this section does not  
 55.5 exceed the amount of the MFIP grant, cash and food support, divided by the federal or  
 55.6 applicable state minimum wage, whichever is higher; and

55.7 (4) a participant does not continue in a community work experience placement  
 55.8 for more than nine months unless the maximum number of hours worked is no greater  
 55.9 than the amount of the MFIP grant, cash and food support, divided by the rate of pay  
 55.10 for individuals employed in the same or similar occupations by the same employer at  
 55.11 the same site. This limit does not apply if it would prevent a participant from counting  
 55.12 toward the federal work participation rate.

55.13 **Sec. 24. [256J.678] INJURY PROTECTION FOR COMMUNITY SERVICE**  
 55.14 **WORK EXPERIENCE PARTICIPANTS.**

55.15 Subdivision 1. **Authority.** The Department of Administration, in consultation with  
 55.16 the Department of Human Services, shall contract with an approved insurance carrier to  
 55.17 provide coverage for injuries or death resulting from a person's participation in paid and  
 55.18 unpaid community work experience programs authorized by the commissioner for persons  
 55.19 applying for or receiving DWP, MFIP, or food stamps, and participating in the Minnesota  
 55.20 parent's fair share program and the community service program under section 518.551,  
 55.21 subdivision 5a, in a county with an approved community investment program for obligors.

55.22 Subd. 2. **Claims.** Claims that are subject to this section must be reported to the  
 55.23 insurance carrier in a format approved by the carrier by the department of the state, county  
 55.24 agency, or tribal program responsible for supervising the work.

55.25 Subd. 3. **Exclusive procedure.** The procedure established by this section  
 55.26 is exclusive of all other legal, equitable, and statutory remedies against the state,  
 55.27 employees of the state, or the state's political subdivisions. The claimant is not entitled  
 55.28 to seek damages from any other state, county, tribal, or reservation insurance policy or  
 55.29 self-insurance program.

55.30 Subd. 4. **Requirements for worksites.** The department of the state, county agency,  
 55.31 or tribal program responsible for supervising the work shall ensure that no participant is  
 55.32 assigned to a worksite which is in violation of federal Occupational Safety and Health  
 55.33 Administration and state Department of Labor and Industry safety standards or is under  
 55.34 investigation to determine if those violations have occurred. All participants must be

56.1 given the same safety information and training given to a paid employee performing  
 56.2 similar work at that worksite.

56.3 Sec. 25. Minnesota Statutes 2006, section 256J.751, subdivision 2, is amended to read:

56.4 Subd. 2. **Quarterly comparison report.** The commissioner shall report quarterly to  
 56.5 all counties on each county's performance on the following measures:

56.6 (1) percent of MFIP caseload working in paid employment;

56.7 (2) percent of MFIP caseload receiving only the food portion of assistance;

56.8 (3) number of MFIP cases that have left assistance;

56.9 (4) median placement wage rate;

56.10 (5) caseload by months of TANF assistance;

56.11 (6) percent of MFIP and diversionary work program (DWP) cases off cash assistance

56.12 or working 30 or more hours per week at one-year, two-year, and three-year follow-up

56.13 points from a baseline quarter. This measure is called the self-support index. The

56.14 commissioner shall report quarterly an expected range of performance for each county,

56.15 county grouping, and tribe on the self-support index. The expected range shall be derived

56.16 by a statistical methodology developed by the commissioner in consultation with the

56.17 counties and tribes. The statistical methodology shall control differences across counties

56.18 in economic conditions and demographics of the MFIP and DWP case load; and

56.19 (7) the ~~MFIP~~ TANF work participation rate, defined as the participation requirements

56.20 ~~specified in title 1 of Public Law 104-193 applied to all MFIP cases except child only~~

56.21 ~~cases~~ under Public Law 109-171, the Deficit Reduction Act of 2005.

56.22 Sec. 26. Minnesota Statutes 2006, section 256J.751, subdivision 5, is amended to read:

56.23 Subd. 5. **Failure to meet federal performance standards.** (a) If sanctions occur

56.24 for failure to meet the performance standards specified in title 1 of Public Law 104-193

56.25 of the Personal Responsibility and Work Opportunity Act of 1996, and under Public

56.26 Law 109-171, the Deficit Reduction Act of 2005, the state shall pay 88 percent of the

56.27 sanction. The remaining 12 percent of the sanction will be paid by the counties. The

56.28 county portion of the sanction will be distributed across all counties in proportion to each

56.29 county's percentage of the MFIP average monthly caseload during the period for which

56.30 the sanction was applied.

56.31 (b) If a county fails to meet the performance standards specified in title 1 of Public

56.32 Law 104-193 of the Personal Responsibility and Work Opportunity Act of 1996, and

56.33 Public Law 109-171, the Deficit Reduction Act of 2005, for any year, the commissioner

56.34 shall work with counties to organize a joint state-county technical assistance team to work

57.1 with the county. The commissioner shall coordinate any technical assistance with other  
 57.2 departments and agencies including the Departments of Employment and Economic  
 57.3 Development and Education as necessary to achieve the purpose of this paragraph.

57.4 (c) For state performance measures, a low-performing county is one that:

57.5 (1) performs below the bottom of their expected range for the measure in subdivision  
 57.6 2, clause ~~(7)~~ (6), in an annualized measurement reported in October of each year; or

57.7 (2) performs below 40 percent for the measure in subdivision 2, clause ~~(8)~~ (7), as  
 57.8 averaged across the four quarterly measurements for the year, or the ten counties with the  
 57.9 lowest rates if more than ten are below 40 percent.

57.10 (d) Low-performing counties under paragraph (c) must engage in corrective action  
 57.11 planning as defined by the commissioner. The commissioner may coordinate technical  
 57.12 assistance as specified in paragraph (b) for low-performing counties under paragraph (c).

57.13 Sec. 27. Minnesota Statutes 2006, section 256J.95, subdivision 15, is amended to read:

57.14 Subd. 15. **Limitations on certain work activities.** (a) Except as specified in  
 57.15 paragraphs (b) to (d), employment activities listed in section 256J.49, subdivision 13, are  
 57.16 allowable under the diversionary work program.

57.17 ~~(b) Work activities under section 256J.49, subdivision 13, clause (5), shall be~~  
 57.18 ~~allowable only when in combination with approved work activities under section 256J.49,~~  
 57.19 ~~subdivision 13, clauses (1) to (4), and shall be limited to no more than one-half of the~~  
 57.20 ~~hours required in the employment plan.~~

57.21 ~~(c)~~ (b) In order for an English as a second language (ESL) class or Functional Work  
 57.22 Literacy under section 256J.49, subdivision 13, clause (5), to be an approved work  
 57.23 activity, a participant must:

57.24 (1) be below a spoken language proficiency level of SPL6 or its equivalent, as  
 57.25 measured by a nationally recognized test; and

57.26 (2) not have been enrolled in ESL for more than 24 months while previously  
 57.27 participating in MFIP or DWP. A participant who has been enrolled in ESL for 20 or more  
 57.28 months may be approved for ESL until the participant has received 24 total months.

57.29 ~~(d)~~ (c) Work activities under section 256J.49, subdivision 13, clause (6), shall be  
 57.30 allowable only when the training or education program will be completed within the  
 57.31 four-month DWP period. Training or education programs that will not be completed  
 57.32 within the four-month DWP period shall not be approved.

57.33 Sec. 28. **REPEALER.**

58.1 (a) Minnesota Statutes 2006, sections 256J.67; and 256J.68, are repealed effective  
 58.2 June 30, 2007.

58.3 (b) Minnesota Statutes 2006, sections 256J.425, subdivisions 6 and 7; and 256J.46,  
 58.4 subdivisions 1, 2, and 2a, are repealed effective June 30, 2008.

58.5 (c) Minnesota Statutes 2006, section 256J.29, is repealed.

58.6 **ARTICLE 4**  
 58.7 **LICENSING**

58.8 Section 1. Minnesota Statutes 2006, section 245A.035, is amended to read:

58.9 **245A.035 ~~RELATIVE FOSTER CARE; UNLICENSED EMERGENCY~~**  
 58.10 **~~LICENSE~~ RELATIVE PLACEMENT.**

58.11 Subdivision 1. **~~Grant of Emergency license placement.~~** Notwithstanding section  
 58.12 245A.03, subdivision 2a, or 245C.13, subdivision 2, a county agency may place a child  
 58.13 ~~for foster care~~ with a relative who is not licensed to provide foster care, provided the  
 58.14 requirements of ~~subdivision 2~~ this section are met. As used in this section, the term  
 58.15 "relative" has the meaning given it under section 260C.007, subdivision 27.

58.16 Subd. 2. **Cooperation with emergency licensing placement process.** (a) A county  
 58.17 agency that places a child with a relative who is not licensed to provide foster care must  
 58.18 ~~begin the process of securing an emergency license for the relative as soon as possible~~  
 58.19 ~~and must~~ conduct the initial inspection required by subdivision 3, clause (1), whenever  
 58.20 possible, prior to placing the child in the relative's home, but no later than three working  
 58.21 days after placing the child in the home. A child placed in the home of a relative who is  
 58.22 not licensed to provide foster care must be removed from that home if the relative fails  
 58.23 to cooperate with the county agency ~~in securing an emergency foster care license. The~~  
 58.24 ~~commissioner may issue an emergency foster care license to a relative with whom the~~  
 58.25 ~~county agency wishes to place or has placed a child for foster care, or to a relative with~~  
 58.26 ~~whom a child has been placed by court order.~~

58.27 (b) If a child is to be placed in the home of a relative not licensed to provide foster  
 58.28 care, either the placing agency or the county agency in the county in which the relative  
 58.29 lives shall conduct the emergency ~~licensing~~ placement process as required in this section.

58.30 Subd. 3. **Requirements for emergency license placement.** Before an emergency  
 58.31 ~~license placement~~ may be issued made, the following requirements must be met:

58.32 (1) the county agency must conduct an initial inspection of the premises where  
 58.33 the ~~foster care placement~~ is to be provided made to ensure the health and safety of any  
 58.34 child placed in the home. The county agency shall conduct the inspection using a form  
 58.35 developed by the commissioner;

59.1 (2) at the time of the inspection or placement, whichever is earlier, the county  
 59.2 agency must provide the relative being considered for an emergency ~~license shall receive~~  
 59.3 placement an application form for a child foster care license;

59.4 (3) whenever possible, prior to placing the child in the relative's home, the relative  
 59.5 being considered for an emergency ~~license~~ placement shall provide the information  
 59.6 required by section 245C.05; and

59.7 (4) if the county determines, prior to the ~~issuance of an~~ emergency ~~license~~  
 59.8 placement, that anyone requiring a background study ~~may be~~ prior to licensure of the  
 59.9 home is disqualified under ~~section 245C.14 and~~ chapter 245C, and the disqualification  
 59.10 is one which the commissioner cannot set aside, an emergency ~~license shall~~ placement  
 59.11 must not be issued ~~made~~.

59.12 Subd. 4. **Applicant study.** When the county agency has received the information  
 59.13 required by section 245C.05, the county agency shall ~~begin an applicant study according to~~  
 59.14 ~~the procedures in chapter 245C. The commissioner may issue an emergency license upon~~  
 59.15 ~~recommendation of the county agency once the initial inspection has been successfully~~  
 59.16 ~~completed and the information necessary to begin the applicant background study has been~~  
 59.17 ~~provided. If the county agency does not recommend that the emergency license be granted,~~  
 59.18 ~~the agency shall notify the relative in writing that the agency is recommending denial to the~~  
 59.19 ~~commissioner; shall remove any child who has been placed in the home prior to licensure;~~  
 59.20 ~~and shall inform the relative in writing of the procedure to request review pursuant to~~  
 59.21 ~~subdivision 6. An emergency license shall be effective until a child foster care license is~~  
 59.22 ~~granted or denied, but shall in no case remain in effect more than 120 days from the date~~  
 59.23 ~~of placement~~ submit the information to the commissioner according to section 245C.05.

59.24 Subd. 5. **Child foster care license application.** (a) The relatives with whom the  
 59.25 ~~emergency license holder~~ placement has been made shall complete the child foster care  
 59.26 license application and necessary paperwork within ten days of the placement. The county  
 59.27 agency shall assist the ~~emergency license holder~~ applicant to complete the application.  
 59.28 The granting of a child foster care license to a relative shall be under the procedures in this  
 59.29 chapter and according to the standards ~~set forth by foster care rule in Minnesota Rules,~~  
 59.30 chapter 2960. In licensing a relative, the commissioner shall consider the importance of  
 59.31 maintaining the child's relationship with relatives as an additional significant factor in  
 59.32 determining whether ~~to~~ a background study disqualification should be set aside ~~a licensing~~  
 59.33 ~~disqualifier~~ under section 245C.22, or ~~to grant a variance of licensing requirements should~~  
 59.34 be granted under ~~sections 245C.21 to 245C.27~~ section 245C.30.

59.35 (b) When the county or private child-placing agency is processing an application  
 59.36 for child foster care licensure of a relative as defined in section 260B.007, subdivision

60.1 12, or 260C.007, subdivision 27, the county agency or child-placing agency must explain  
 60.2 the licensing process to the prospective licensee, including the background study process  
 60.3 and the procedure for reconsideration of an initial disqualification for licensure. The  
 60.4 county or private child-placing agency must also provide the prospective relative licensee  
 60.5 with information regarding appropriate options for legal representation in the pertinent  
 60.6 geographic area. If a relative is initially disqualified under section 245C.14, the ~~county~~  
 60.7 ~~or child-placing agency~~ commissioner must provide written notice of the reasons for the  
 60.8 disqualification and the right to request a reconsideration by the commissioner as required  
 60.9 under section 245C.17.

60.10 (c) The commissioner shall maintain licensing data so that activities related to  
 60.11 applications and licensing actions for relative foster care providers may be distinguished  
 60.12 from other child foster care settings.

60.13 ~~Subd. 6. Denial of emergency license. If the commissioner denies an application~~  
 60.14 ~~for an emergency foster care license under this section, that denial must be in writing and~~  
 60.15 ~~must include reasons for the denial. Denial of an emergency license is not subject to~~  
 60.16 ~~appeal under chapter 14. The relative may request a review of the denial by submitting~~  
 60.17 ~~to the commissioner a written statement of the reasons an emergency license should be~~  
 60.18 ~~granted. The commissioner shall evaluate the request for review and determine whether~~  
 60.19 ~~to grant the emergency license. The commissioner's review shall be based on a review~~  
 60.20 ~~of the records submitted by the county agency and the relative. Within 15 working~~  
 60.21 ~~days of the receipt of the request for review, the commissioner shall notify the relative~~  
 60.22 ~~requesting review in written form whether the emergency license will be granted. The~~  
 60.23 ~~commissioner's review shall be based on a review of the records submitted by the county~~  
 60.24 ~~agency and the relative. A child shall not be placed or remain placed in the relative's home~~  
 60.25 ~~while the request for review is pending. Denial of an emergency license shall not preclude~~  
 60.26 ~~an individual from reapplying for an emergency license or from applying for a child foster~~  
 60.27 ~~care license. The decision of the commissioner is the final administrative agency action.~~

60.28 Sec. 2. Minnesota Statutes 2006, section 245A.16, subdivision 1, is amended to read:

60.29 Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and  
 60.30 private agencies that have been designated or licensed by the commissioner to perform  
 60.31 licensing functions and activities under section 245A.04 ~~and~~; background studies for  
 60.32 adult foster care, family adult day services, and family child care under chapter 245C;  
 60.33 to recommend denial of applicants under section 245A.05; to issue correction orders,  
 60.34 to issue variances, and recommend a conditional license under section 245A.06; or to  
 60.35 recommend suspending or revoking a license or issuing a fine under section 245A.07,

61.1 shall comply with rules and directives of the commissioner governing those functions and  
 61.2 with this section. The following variances are excluded from the delegation of variance  
 61.3 authority and may be issued only by the commissioner:

61.4 (1) dual licensure of family child care and child foster care, dual licensure of child  
 61.5 and adult foster care, and adult foster care and family child care;

61.6 (2) adult foster care maximum capacity;

61.7 (3) adult foster care minimum age requirement;

61.8 (4) child foster care maximum age requirement;

61.9 (5) variances regarding disqualified individuals except that county agencies may  
 61.10 issue variances under section 245C.30 regarding disqualified individuals when the county  
 61.11 is responsible for conducting a consolidated reconsideration according to sections 245C.25  
 61.12 and 245C.27, subdivision 2, clauses (a) and (b), of a county maltreatment determination  
 61.13 and a disqualification based on serious or recurring maltreatment; and

61.14 (6) the required presence of a caregiver in the adult foster care residence during  
 61.15 normal sleeping hours.

61.16 (b) County agencies must report:

61.17 ~~(1) information about disqualification reconsiderations under sections 245C.25 and~~  
 61.18 ~~245C.27, subdivision 2, clauses paragraphs (a) and (b), and variances granted under~~  
 61.19 ~~paragraph (a), clause (5), to the commissioner at least monthly in a format prescribed by~~  
 61.20 ~~the commissioner; and.~~

61.21 ~~(2) for relative child foster care applicants and license holders, the number of~~  
 61.22 ~~relatives, as defined in section 260C.007, subdivision 27, and household members of~~  
 61.23 ~~relatives who are disqualified under section 245C.14; the disqualifying characteristics~~  
 61.24 ~~under section 245C.15; the number of these individuals who requested reconsideration~~  
 61.25 ~~under section 245C.21; the number of set-asides under section 245C.22; and variances~~  
 61.26 ~~under section 245C.30 issued. This information shall be reported to the commissioner~~  
 61.27 ~~annually by January 15 of each year in a format prescribed by the commissioner.~~

61.28 (c) For family day care programs, the commissioner may authorize licensing reviews  
 61.29 every two years after a licensee has had at least one annual review.

61.30 (d) For family adult day services programs, the commissioner may authorize  
 61.31 licensing reviews every two years after a licensee has had at least one annual review.

61.32 (e) A license issued under this section may be issued for up to two years.

61.33 Sec. 3. Minnesota Statutes 2006, section 245A.16, subdivision 3, is amended to read:

61.34 Subd. 3. **Recommendations to the commissioner.** The county or private agency  
 61.35 shall not make recommendations to the commissioner regarding licensure without

62.1 first conducting an inspection, and for adult foster care, family adult day services, and  
 62.2 family child care, a background study of the applicant, and evaluation pursuant to under  
 62.3 chapter 245C. The county or private agency must forward its recommendation to the  
 62.4 commissioner regarding the appropriate licensing action within 20 working days of  
 62.5 receipt of a completed application.

62.6 Sec. 4. Minnesota Statutes 2006, section 245C.02, is amended by adding a subdivision  
 62.7 to read:

62.8 Subd. 14a. **Private agency.** "Private agency" has the meaning given in section  
 62.9 245A.02, subdivision 12.

62.10 Sec. 5. Minnesota Statutes 2006, section 245C.04, subdivision 1, is amended to read:

62.11 Subdivision 1. **Licensed programs.** (a) The commissioner shall conduct a  
 62.12 background study of an individual required to be studied under section 245C.03,  
 62.13 subdivision 1, at least upon application for initial license for all license types.

62.14 (b) The commissioner shall conduct a background study of an individual required to  
 62.15 be studied under section 245C.03, subdivision 1, at reapplication for a license for family  
 62.16 child care, ~~child foster care, and adult foster care,~~ and family adult day services.

62.17 (c) The commissioner is not required to conduct a study of an individual at the time  
 62.18 of reapplication for a license if the individual's background study was completed by the  
 62.19 commissioner of human services for an adult foster care license holder that is also:

62.20 (1) registered under chapter 144D; or

62.21 (2) licensed to provide home and community-based services to people with  
 62.22 disabilities at the foster care location and the license holder does not reside in the foster  
 62.23 care residence; and

62.24 (3) the following conditions are met:

62.25 (i) a study of the individual was conducted either at the time of initial licensure or  
 62.26 when the individual became affiliated with the license holder;

62.27 (ii) the individual has been continuously affiliated with the license holder since  
 62.28 the last study was conducted; and

62.29 (iii) the last study of the individual was conducted on or after October 1, 1995.

62.30 (d) From July 1, 2007, to June 30, 2009, the commissioner of human services  
 62.31 shall conduct a study of an individual required to be studied under section 245C.03, at  
 62.32 the time of reapplication for a child foster care license. The county or private agency  
 62.33 shall collect and forward to the commissioner the information required under section  
 62.34 245C.05, subdivisions 1, paragraphs (a) and (b), and 5, paragraphs (a) and (b). The

63.1 background study conducted by the commissioner of human services under this paragraph  
 63.2 must include a review of the information required under section 245C.08, subdivisions  
 63.3 1, paragraph (a), clauses (1) to (4), and 3.

63.4 (e) The commissioner of human services shall conduct a background study of an  
 63.5 individual specified under section 245C.03, subdivision 1, paragraph (a), clauses (2)  
 63.6 to (6), who is newly affiliated with a child foster care license holder. The county or  
 63.7 private agency shall collect and forward to the commissioner the information required  
 63.8 under section 245C.05, subdivisions 1 and 5. The background study conducted by the  
 63.9 commissioner of human services under this paragraph must include a review of the  
 63.10 information required under section 245C.08, subdivisions 1, paragraph (a), and 3.

63.11 (f) Applicants for licensure, license holders, and other entities as provided in this  
 63.12 chapter must submit completed background study forms to the commissioner before  
 63.13 individuals specified in section 245C.03, subdivision 1, begin positions allowing direct  
 63.14 contact in any licensed program.

63.15 ~~(e)~~ (g) For purposes of this section, a physician licensed under chapter 147 is  
 63.16 considered to be continuously affiliated upon the license holder's receipt from the  
 63.17 commissioner of health or human services of the physician's background study results.

63.18 Sec. 6. Minnesota Statutes 2006, section 245C.05, subdivision 1, is amended to read:

63.19 Subdivision 1. **Individual studied.** (a) The individual who is the subject of the  
 63.20 background study must provide the applicant, license holder, or other entity under section  
 63.21 245C.04 with sufficient information to ensure an accurate study, including:

63.22 (1) the individual's first, middle, and last name and all other names by which the  
 63.23 individual has been known;

63.24 (2) home address, city, and state of residence;

63.25 (3) zip code;

63.26 (4) sex;

63.27 (5) date of birth; and

63.28 (6) Minnesota driver's license number or state identification number.

63.29 (b) Every subject of a background study conducted or initiated by counties or private  
 63.30 agencies under this chapter must also provide the home address, city, county, and state of  
 63.31 residence for the past five years.

63.32 (c) Every subject of a background study related to child foster care through a private  
 63.33 agency shall also provide the commissioner a signed consent for the release of any  
 63.34 information received from national crime information databases to the private agency that  
 63.35 initiated the background study.

64.1 (d) The subject of a background study shall provide fingerprints as required in  
 64.2 subdivision 5, paragraph (c).

64.3 Sec. 7. Minnesota Statutes 2006, section 245C.05, is amended by adding a subdivision  
 64.4 to read:

64.5 Subd. 2a. **County or private agency.** For background studies related to child foster  
 64.6 care, county and private agencies must collect the information under subdivision 1 and  
 64.7 forward it to the commissioner.

64.8 Sec. 8. Minnesota Statutes 2006, section 245C.05, subdivision 4, is amended to read:

64.9 Subd. 4. **Electronic transmission.** For background studies conducted by the  
 64.10 Department of Human Services, the commissioner shall implement a system for the  
 64.11 electronic transmission of:

64.12 (1) background study information to the commissioner; ~~and~~

64.13 (2) background study results to the license holder; and

64.14 (3) background study results to county and private agencies for background studies  
 64.15 conducted by the commissioner for child foster care.

64.16 Sec. 9. Minnesota Statutes 2006, section 245C.05, subdivision 5, is amended to read:

64.17 Subd. 5. **Fingerprints.** (a) Except as provided in paragraph (c), for any background  
 64.18 study completed under this chapter, when the commissioner has reasonable cause to  
 64.19 believe that further pertinent information may exist on the subject of the background  
 64.20 study, the subject shall provide the commissioner with a set of classifiable fingerprints  
 64.21 obtained from an authorized ~~law enforcement~~ agency.

64.22 (b) For purposes of requiring fingerprints, the commissioner has reasonable cause  
 64.23 when, but not limited to, the:

64.24 (1) information from the Bureau of Criminal Apprehension indicates that the subject  
 64.25 is a multistate offender;

64.26 (2) information from the Bureau of Criminal Apprehension indicates that multistate  
 64.27 offender status is undetermined; or

64.28 (3) commissioner has received a report from the subject or a third party indicating  
 64.29 that the subject has a criminal history in a jurisdiction other than Minnesota.

64.30 (c) Except as specified under section 245C.04, subdivision 1, paragraph (d), for  
 64.31 background studies conducted by the commissioner for child foster care, the subject of the  
 64.32 background study shall provide the commissioner with a set of classifiable fingerprints  
 64.33 obtained from an authorized agency.

65.1 Sec. 10. Minnesota Statutes 2006, section 245C.05, subdivision 7, is amended to read:

65.2 Subd. 7. **Probation officer and corrections agent.** (a) A probation officer or  
65.3 corrections agent shall notify the commissioner of an individual's conviction if the  
65.4 individual is:

65.5 (1) affiliated with a program or facility regulated by the Department of Human  
65.6 Services or Department of Health, a facility serving children or youth licensed by the  
65.7 Department of Corrections, or any type of home care agency or provider of personal care  
65.8 assistance services; and

65.9 (2) convicted of a crime constituting a disqualification under section 245C.14.

65.10 (b) For the purpose of this subdivision, "conviction" has the meaning given it  
65.11 in section 609.02, subdivision 5.

65.12 (c) The commissioner, in consultation with the commissioner of corrections, shall  
65.13 develop forms and information necessary to implement this subdivision and shall provide  
65.14 the forms and information to the commissioner of corrections for distribution to local  
65.15 probation officers and corrections agents.

65.16 (d) The commissioner shall inform individuals subject to a background study that  
65.17 criminal convictions for disqualifying crimes will be reported to the commissioner by the  
65.18 corrections system.

65.19 (e) A probation officer, corrections agent, or corrections agency is not civilly or  
65.20 criminally liable for disclosing or failing to disclose the information required by this  
65.21 subdivision.

65.22 (f) Upon receipt of disqualifying information, the commissioner shall provide the  
65.23 notice required under section 245C.17, as appropriate, to agencies on record as having  
65.24 initiated a background study or making a request for documentation of the background  
65.25 study status of the individual.

65.26 (g) This subdivision does not apply to family child care ~~and child foster care~~  
65.27 programs.

65.28 Sec. 11. Minnesota Statutes 2006, section 245C.08, subdivision 1, is amended to read:

65.29 Subdivision 1. **Background studies conducted by commissioner of human**  
65.30 **services.** (a) For a background study conducted by the commissioner, the commissioner  
65.31 shall review:

65.32 (1) information related to names of substantiated perpetrators of maltreatment of  
65.33 vulnerable adults that has been received by the commissioner as required under section  
65.34 626.557, subdivision 9c, paragraph (i);

66.1 (2) the commissioner's records relating to the maltreatment of minors in licensed  
 66.2 programs, and from ~~county agency~~ findings of maltreatment of minors as indicated  
 66.3 through the social service information system;

66.4 (3) information from juvenile courts as required in subdivision 4 for individuals  
 66.5 listed in section 245C.03, subdivision 1, clauses (2), (5), and (6); ~~and~~

66.6 (4) information from the Bureau of Criminal Apprehension; and

66.7 (5) for a background study related to a child foster care application for licensure, the  
 66.8 commissioner shall also review:

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

66.11 (ii) information from national crime information databases.

66.12 (b) Notwithstanding expungement by a court, the commissioner may consider  
 66.13 information obtained under paragraph (a), clauses (3) and (4), unless the commissioner  
 66.14 received notice of the petition for expungement and the court order for expungement is  
 66.15 directed specifically to the commissioner.

66.16 Sec. 12. Minnesota Statutes 2006, section 245C.08, subdivision 2, is amended to read:

66.17 Subd. 2. **Background studies conducted by a county ~~or private~~ agency.** (a) For  
 66.18 a background study conducted by a county ~~or private~~ agency for ~~child foster care~~, adult  
 66.19 foster care, family adult day services, and family child care homes, the commissioner  
 66.20 shall review:

66.21 (1) information from the county agency's record of substantiated maltreatment  
 66.22 of adults and the maltreatment of minors;

66.23 (2) information from juvenile courts as required in subdivision 4 for individuals  
 66.24 listed in section 245C.03, subdivision 1, clauses (2), (5), and (6);

66.25 (3) information from the Bureau of Criminal Apprehension; and

66.26 (4) arrest and investigative records maintained by the Bureau of Criminal  
 66.27 Apprehension, county attorneys, county sheriffs, courts, county agencies, local police, the  
 66.28 National Criminal Records Repository, and criminal records from other states.

66.29 (b) If the individual has resided in the county for less than five years, the study shall  
 66.30 include the records specified under paragraph (a) for the previous county or counties of  
 66.31 residence for the past five years.

66.32 (c) Notwithstanding expungement by a court, the county ~~or private~~ agency may  
 66.33 consider information obtained under paragraph (a), clauses (3) and (4), unless the  
 66.34 commissioner received notice of the petition for expungement and the court order for  
 66.35 expungement is directed specifically to the commissioner.

67.1 Sec. 13. Minnesota Statutes 2006, section 245C.10, is amended by adding a  
67.2 subdivision to read:

67.3 Subd. 4. **Temporary personnel agencies, educational programs, and professional**  
67.4 **services agencies.** The commissioner shall recover the cost of the background studies  
67.5 initiated by temporary personnel agencies, educational programs, and professional  
67.6 services agencies that initiate background studies under section 245C.03, subdivision 4,  
67.7 through a fee of no more than \$20 per study charged to the agency. The fees collected  
67.8 under this subdivision are appropriated to the commissioner for the purpose of conducting  
67.9 background studies.

67.10 Sec. 14. Minnesota Statutes 2006, section 245C.11, subdivision 1, is amended to read:

67.11 Subdivision 1. **Adult foster care; criminal conviction data.** For individuals who  
67.12 are required to have background studies under section 245C.03, subdivisions 1 and 2, and  
67.13 who have been continuously affiliated with ~~a~~ an adult foster care provider that is licensed  
67.14 in more than one county, criminal conviction data may be shared among those counties in  
67.15 which the adult foster care programs are licensed. A county agency's receipt of criminal  
67.16 conviction data from another county agency shall meet the criminal data background  
67.17 study requirements of this chapter.

67.18 Sec. 15. Minnesota Statutes 2006, section 245C.11, subdivision 2, is amended to read:

67.19 Subd. 2. **Jointly licensed programs.** A county agency may accept a background  
67.20 study completed by the commissioner under this chapter in place of the background study  
67.21 required under section 245A.16, subdivision 3, in programs with joint licensure as home  
67.22 and community-based services and adult foster care for people with developmental  
67.23 disabilities when the license holder does not reside in the adult foster care residence and  
67.24 the subject of the study has been continuously affiliated with the license holder since the  
67.25 date of the commissioner's study.

67.26 Sec. 16. Minnesota Statutes 2006, section 245C.12, is amended to read:

67.27 **245C.12 BACKGROUND STUDY; TRIBAL ORGANIZATIONS.**

67.28 (a) For the purposes of background studies completed by tribal organizations  
67.29 performing licensing activities otherwise required of the commissioner under this chapter,  
67.30 after obtaining consent from the background study subject, tribal licensing agencies shall  
67.31 have access to criminal history data in the same manner as county licensing agencies and  
67.32 private licensing agencies under this chapter.

68.1 (b) Tribal organizations may contract with the commissioner to obtain background  
68.2 study data on individuals under tribal jurisdiction related to adoptions according to  
68.3 section 245C.34. Tribal organizations may also contract with the commissioner to obtain  
68.4 background study data on individuals under tribal jurisdiction related to child foster care  
68.5 according to section 245C.34.

68.6 Sec. 17. Minnesota Statutes 2006, section 245C.16, subdivision 1, is amended to read:

68.7 Subdivision 1. **Determining immediate risk of harm.** (a) If the commissioner  
68.8 determines that the individual studied has a disqualifying characteristic, the commissioner  
68.9 shall review the information immediately available and make a determination as to the  
68.10 subject's immediate risk of harm to persons served by the program where the individual  
68.11 studied will have direct contact.

68.12 (b) The commissioner shall consider all relevant information available, including the  
68.13 following factors in determining the immediate risk of harm:

- 68.14 (1) the recency of the disqualifying characteristic;  
68.15 (2) the recency of discharge from probation for the crimes;  
68.16 (3) the number of disqualifying characteristics;  
68.17 (4) the intrusiveness or violence of the disqualifying characteristic;  
68.18 (5) the vulnerability of the victim involved in the disqualifying characteristic;  
68.19 (6) the similarity of the victim to the persons served by the program where the  
68.20 individual studied will have direct contact; and  
68.21 (7) whether the individual has a disqualification from a previous background study  
68.22 that has not been set aside.

68.23 (c) This section does not apply when the subject of a background study is regulated  
68.24 by a health-related licensing board as defined in chapter 214, and the subject is determined  
68.25 to be responsible for substantiated maltreatment under section 626.556 or 626.557.

68.26 (d) This section does not apply to a background study related to an initial application  
68.27 for a child foster care license.

68.28 (e) If the commissioner has reason to believe, based on arrest information or an  
68.29 active maltreatment investigation, that an individual poses an imminent risk of harm to  
68.30 persons receiving services, the commissioner may order that the person be continuously  
68.31 supervised or immediately removed pending the conclusion of the maltreatment  
68.32 investigation or criminal proceedings.

68.33 Sec. 18. Minnesota Statutes 2006, section 245C.17, is amended by adding a  
68.34 subdivision to read:

69.1 Subd. 5. **Notice to county or private agency.** For studies on individuals related to a  
 69.2 license to provide child foster care, the commissioner shall also provide a notice of the  
 69.3 background study results to the county or private agency that initiated the background  
 69.4 study.

69.5 Sec. 19. Minnesota Statutes 2006, section 245C.21, is amended by adding a  
 69.6 subdivision to read:

69.7 Subd. 1a. **Submission of reconsideration request to county or private agency.**

69.8 (a) For disqualifications related to studies conducted by county agencies, and for  
 69.9 disqualifications related to studies conducted by the commissioner for child foster care,  
 69.10 the individual shall submit the request for reconsideration to the county or private agency  
 69.11 that initiated the background study.

69.12 (b) A reconsideration request shall be submitted within the time frames specified in  
 69.13 subdivision 2.

69.14 (c) The county or private agency shall forward the individual's request for  
 69.15 reconsideration and provide the commissioner with a recommendation whether to set aside  
 69.16 the individual's disqualification.

69.17 Sec. 20. Minnesota Statutes 2006, section 245C.23, subdivision 2, is amended to read:

69.18 **Subd. 2. Commissioner's notice of disqualification that is not set aside.** (a) The  
 69.19 commissioner shall notify the license holder of the disqualification and order the license  
 69.20 holder to immediately remove the individual from any position allowing direct contact  
 69.21 with persons receiving services from the license holder if:

69.22 (1) the individual studied does not submit a timely request for reconsideration  
 69.23 under section 245C.21;

69.24 (2) the individual submits a timely request for reconsideration, but the commissioner  
 69.25 does not set aside the disqualification for that license holder under section 245C.22;

69.26 (3) an individual who has a right to request a hearing under sections 245C.27 and  
 69.27 256.045, or 245C.28 and chapter 14 for a disqualification that has not been set aside, does  
 69.28 not request a hearing within the specified time; or

69.29 (4) an individual submitted a timely request for a hearing under sections 245C.27  
 69.30 and 256.045, or 245C.28 and chapter 14, but the commissioner does not set aside the  
 69.31 disqualification under section 245A.08, subdivision 5, or 256.045.

69.32 (b) If the commissioner does not set aside the disqualification under section 245C.22,  
 69.33 and the license holder was previously ordered under section 245C.17 to immediately  
 69.34 remove the disqualified individual from direct contact with persons receiving services or

70.1 to ensure that the individual is under continuous, direct supervision when providing direct  
 70.2 contact services, the order remains in effect pending the outcome of a hearing under  
 70.3 sections 245C.27 and 256.045, or 245C.28 and chapter 14.

70.4 (c) For background studies related to child foster care, the commissioner shall  
 70.5 also notify the county or private agency that initiated the study of the results of the  
 70.6 reconsideration.

70.7 **Sec. 21. [245C.33] ADOPTION BACKGROUND STUDY REQUIREMENTS.**

70.8 Subdivision 1. **Background studies conducted by commissioner.** Before  
 70.9 placement of a child for purposes of adoption, the commissioner shall conduct a  
 70.10 background study on individuals listed in section 259.41, subdivision 3, for county  
 70.11 agencies and private agencies licensed to place children for adoption.

70.12 Subd. 2. **Information and data provided to county or private agency.** The  
 70.13 subject of the background study shall provide the following information to the county  
 70.14 or private agency:

70.15 (1) the information specified in section 245C.05;

70.16 (2) a set of classifiable fingerprints obtained from an authorized agency; and

70.17 (3) for studies initiated by a private agency, a signed consent for the release of  
 70.18 information received from national crime information databases to the private agency.

70.19 Subd. 3. **Information and data provided to commissioner.** The county or private  
 70.20 agency shall forward the data collected under subdivision 2 to the commissioner.

70.21 Subd. 4. **Information commissioner reviews.** (a) The commissioner shall review  
 70.22 the following information regarding the background study subject:

70.23 (1) the information under section 245C.08, subdivisions 1, 3, and 4;

70.24 (2) information from the child abuse and neglect registry for any state in which the  
 70.25 subject has resided for the past five years; and

70.26 (3) information from national crime information databases.

70.27 (b) The commissioner shall provide any information collected under this subdivision  
 70.28 to the county or private agency that initiated the background study. The commissioner  
 70.29 shall indicate if the information collected shows that the subject of the background study  
 70.30 has a conviction listed in United States Code, title 42, section 671(a)(20)(A).

70.31 **Sec. 22. [245C.34] ADOPTION AND CHILD FOSTER CARE BACKGROUND**  
 70.32 **STUDIES; TRIBAL ORGANIZATIONS.**

71.1 Subdivision 1. **Background studies may be conducted by commissioner.** (a)  
 71.2 Tribal organizations may contract with the commissioner under section 245C.12 to obtain  
 71.3 background study data on individuals under tribal jurisdiction related to adoptions.

71.4 (b) Tribal organizations may contract with the commissioner under section 245C.12  
 71.5 to obtain background study data on individuals under tribal jurisdiction related to child  
 71.6 foster care.

71.7 (c) Background studies initiated by tribal organizations under paragraphs (a) and (b)  
 71.8 must be conducted as provided in subdivisions 2 and 3.

71.9 Subd. 2. **Information and data provided to tribal organization.** The background  
 71.10 study subject must provide the following information to the tribal organization:

71.11 (1) for background studies related to adoptions, the information under section  
 71.12 245C.05;

71.13 (2) for background studies related to child foster care, the information under section  
 71.14 245C.05;

71.15 (3) a set of classifiable fingerprints obtained from an authorized agency; and

71.16 (4) a signed consent for the release of information received from national crime  
 71.17 information databases to the tribal organization.

71.18 Subd. 3. **Information and data provided to commissioner.** The tribal organization  
 71.19 shall forward the data collected under subdivision 2 to the commissioner.

71.20 Subd. 4. **Information commissioner reviews.** (a) The commissioner shall review  
 71.21 the following information regarding the background study subject:

71.22 (1) the information under section 245C.08, subdivisions 1, 3, and 4;

71.23 (2) information from the child abuse and neglect registry for any state in which the  
 71.24 subject has resided for the past five years; and

71.25 (3) information from national crime information databases.

71.26 (b) The commissioner shall provide any information collected under this subdivision  
 71.27 to the tribal organization that initiated the background study. The commissioner shall  
 71.28 indicate if the information collected shows that the subject of the background study has a  
 71.29 conviction listed in United States Code, title 42, section 671(a)(20)(A).

71.30 Sec. 23. Minnesota Statutes 2006, section 259.20, subdivision 2, is amended to read:

71.31 Subd. 2. **Other applicable law.** (a) Portions of chapters 245A, 245C, 257, 260, and  
 71.32 317A may also affect the adoption of a particular child.

71.33 (b) Provisions of the Indian Child Welfare Act, United States Code, title 25, chapter  
 71.34 21, sections 1901-1923, may also apply in the adoption of an Indian child, and may  
 71.35 preempt specific provisions of this chapter.

72.1 (c) Consistent with chapters 245A and 245C and Public Law 109-248, a completed  
 72.2 background study is required before the approval of any foster or adoptive placement in  
 72.3 a related or an unrelated home.

72.4 Sec. 24. Minnesota Statutes 2006, section 259.29, subdivision 1, is amended to read:

72.5 Subdivision 1. **Best interests of the child.** (a) The policy of the state of Minnesota  
 72.6 is to ensure that the best interests of the child are met by requiring individualized  
 72.7 determination of the needs of the child and of how the adoptive placement will serve the  
 72.8 needs of the child.

72.9 (b) Among the factors the agency shall consider in determining the needs of the child  
 72.10 are those specified under section 260C.193, subdivision 3, paragraph (b).

72.11 (c) Consistent with chapters 245A and 245C and Public Law 109-248, a completed  
 72.12 background study is required before the approval of any foster or adoptive placement in  
 72.13 a related or an unrelated home.

72.14 Sec. 25. Minnesota Statutes 2006, section 259.41, is amended to read:

72.15 **259.41 ADOPTION STUDY.**

72.16 Subdivision 1. **Study required before placement; certain relatives excepted.** (a)  
 72.17 An approved adoption study; completed background study, as required under section  
 72.18 245C.33; and written report must be completed before the child is placed in a prospective  
 72.19 adoptive home under this chapter, except as allowed by section 259.47, subdivision 6.  
 72.20 In an agency placement, the report must be filed with the court at the time the adoption  
 72.21 petition is filed. In a direct adoptive placement, the report must be filed with the court in  
 72.22 support of a motion for temporary preadoptive custody under section 259.47, subdivision  
 72.23 3, or, if the study and report are complete, in support of an emergency order under section  
 72.24 259.47, subdivision 6. The study and report shall be completed by a licensed child-placing  
 72.25 agency and must be thorough and comprehensive. The study and report shall be paid for  
 72.26 by the prospective adoptive parent, except as otherwise required under section 259.67  
 72.27 or 259.73.

72.28 (b) A placement for adoption with an individual who is related to the child, as  
 72.29 defined by section 245A.02, subdivision 13, is not subject to this section except as required  
 72.30 by ~~section~~ sections 245C.33 and 259.53, subdivision 2, paragraph (c).

72.31 (c) In the case of a licensed foster parent seeking to adopt a child who is in the foster  
 72.32 parent's care, any portions of the foster care licensing process that duplicate requirements  
 72.33 of the home study may be submitted in satisfaction of the relevant requirements of this  
 72.34 section.

73.1 Subd. 2. **Form of study.** (a) The adoption study must include at least one in-home  
 73.2 visit with the prospective adoptive parent. At a minimum, the study must ~~include~~  
 73.3 document the following information about the prospective adoptive parent:

73.4 (1) a background ~~check study~~ as required by subdivision 3 and section 245C.33,  
 73.5 and including:

73.6 (i) an ~~evaluation~~ assessment of the data and information provided by section  
 73.7 245C.33, subdivision 4, to determine if the prospective adoptive parent and any other  
 73.8 person over the age of 13 living in the home has a felony conviction consistent with  
 73.9 subdivision 3 and section 471(a)(2) of the Social Security Act; and

73.10 (ii) an assessment of the effect of a ~~any~~ conviction or finding of substantiated  
 73.11 maltreatment on the ~~ability to~~ capacity of the prospective adoptive parent to safely care  
 73.12 for ~~and parent~~ a child;

73.13 (2) a medical and social history and assessment of current health;

73.14 (3) an assessment of potential parenting skills;

73.15 (4) an assessment of ability to provide adequate financial support for a child; and

73.16 (5) an assessment of the level of knowledge and awareness of adoption issues  
 73.17 including, where appropriate, matters relating to interracial, cross-cultural, and special  
 73.18 needs adoptions.

73.19 (b) The adoption study is the basis for completion of a written report. The report  
 73.20 must be in a format specified by the commissioner and must contain recommendations  
 73.21 regarding the suitability of the subject of the study to be an adoptive parent.

73.22 Subd. 3. **~~Background check; affidavit of history study.~~** (a) At the time an adoption  
 73.23 study is commenced, each prospective adoptive parent must:

73.24 (1) authorize access by the agency to any private data needed to complete the study;

73.25 (2) provide all addresses at which the prospective adoptive parent and anyone in the  
 73.26 household over the age of 13 has resided in the previous five years; and

73.27 (3) disclose any names used previously other than the name used at the time of  
 73.28 the study.

73.29 (b) When the requirements of paragraph (a) have been met, the agency shall  
 73.30 immediately ~~begin~~ initiate a background ~~check; study~~ under section 245C.33 to be  
 73.31 completed by the commissioner on each person over the age of 13 living in the home;  
 73.32 consisting, at a minimum, of the following: As required under section 245C.33 and Public  
 73.33 Law 109-248, a completed background study is required before the approval of any foster  
 73.34 or adoptive placement in a related or an unrelated home. The required background study  
 73.35 must be completed as part of the home study.

74.1 ~~(1) a check of criminal conviction data with the Bureau of Criminal Apprehension~~  
 74.2 ~~and local law enforcement authorities;~~

74.3 ~~(2) a check for data on substantiated maltreatment of a child or vulnerable adult~~  
 74.4 ~~and domestic violence data with local law enforcement and social services agencies and~~  
 74.5 ~~district courts; and~~

74.6 ~~(3) for those persons under the age of 25, a check of juvenile court records:~~

74.7 ~~Notwithstanding the provisions of section 260B.171 or 260C.171, the Bureau of~~  
 74.8 ~~Criminal Apprehension, local law enforcement and social services agencies, district courts,~~  
 74.9 ~~and juvenile courts shall release the requested information to the agency completing~~  
 74.10 ~~the adoption study:~~

74.11 ~~(c) When paragraph (b) requires checking the data or records of local law~~  
 74.12 ~~enforcement and social services agencies and district and juvenile courts, the agency~~  
 74.13 ~~shall check with the law enforcement and social services agencies and courts whose~~  
 74.14 ~~jurisdictions cover the addresses under paragraph (a), clause (2). In the event that the~~  
 74.15 ~~agency is unable to complete any of the record checks required by paragraph (b), the~~  
 74.16 ~~agency shall document the fact and the agency's efforts to obtain the information:~~

74.17 ~~(d) For a study completed under this section, when the agency has reasonable~~  
 74.18 ~~cause to believe that further information may exist on the prospective adoptive parent or~~  
 74.19 ~~household member over the age of 13 that may relate to the health, safety, or welfare of~~  
 74.20 ~~the child, the prospective adoptive parent or household member over the age of 13 shall~~  
 74.21 ~~provide the agency with a set of classifiable fingerprints obtained from an authorized law~~  
 74.22 ~~enforcement agency and the agency may obtain criminal history data from the National~~  
 74.23 ~~Criminal Records Repository by submitting fingerprints to the Bureau of Criminal~~  
 74.24 ~~Apprehension. The agency has reasonable cause when, but not limited to, the:~~

74.25 ~~(1) information from the Bureau of Criminal Apprehension indicates that the~~  
 74.26 ~~prospective adoptive parent or household member over the age of 13 is a multistate~~  
 74.27 ~~offender;~~

74.28 ~~(2) information from the Bureau of Criminal Apprehension indicates that multistate~~  
 74.29 ~~offender status is undetermined;~~

74.30 ~~(3) the agency has received a report from the prospective adoptive parent or~~  
 74.31 ~~household member over the age of 13 or a third party indicating that the prospective~~  
 74.32 ~~adoptive parent or household member over the age of 13 has a criminal history in a~~  
 74.33 ~~jurisdiction other than Minnesota; or~~

74.34 ~~(4) the prospective adoptive parent or household member over the age of 13 is or has~~  
 74.35 ~~been a resident of a state other than Minnesota in the prior five years:~~

75.1 ~~(e) At any time prior to completion of the background check required under~~  
 75.2 ~~paragraph (b), a prospective adoptive parent may submit to the agency conducting the~~  
 75.3 ~~study a sworn affidavit stating whether they or any person residing in the household have~~  
 75.4 ~~been convicted of a crime. The affidavit shall also state whether the adoptive parent or any~~  
 75.5 ~~other person residing in the household is the subject of an open investigation of, or have~~  
 75.6 ~~been the subject of a substantiated allegation of, child or vulnerable-adult maltreatment~~  
 75.7 ~~within the past ten years. A complete description of the crime, open investigation, or~~  
 75.8 ~~substantiated abuse, and a complete description of any sentence, treatment, or disposition~~  
 75.9 ~~must be included. The affidavit must contain an acknowledgment that if, at any time~~  
 75.10 ~~before the adoption is final, a court receives evidence leading to a conclusion that a~~  
 75.11 ~~prospective adoptive parent knowingly gave false information in the affidavit, it shall be~~  
 75.12 ~~determined that the adoption of the child by the prospective adoptive parent is not in the~~  
 75.13 ~~best interests of the child.~~

75.14 ~~(f) For the purposes of subdivision 1 and section 259.47, subdivisions 3 and 6, an~~  
 75.15 ~~adoption study is complete for placement, even though the background checks required by~~  
 75.16 ~~paragraph (b) have not been completed, if each prospective adoptive parent has completed~~  
 75.17 ~~the affidavit allowed by paragraph (e) and the other requirements of this section have been~~  
 75.18 ~~met. The background checks required by paragraph (b) must be completed before an~~  
 75.19 ~~adoption petition is filed. If an adoption study has been submitted to the court under section~~  
 75.20 ~~259.47, subdivision 3 or 6, before the background checks required by paragraph (b) were~~  
 75.21 ~~complete, an updated adoption study report which includes the results of the background~~  
 75.22 ~~check must be filed with the adoption petition. In the event that an agency is unable to~~  
 75.23 ~~complete any of the records checks required by paragraph (b), the agency shall submit with~~  
 75.24 ~~the petition to adopt an affidavit documenting the agency's efforts to complete the checks.~~

75.25 (c) A home study under paragraph (b) used to consider placement of any child  
 75.26 on whose behalf Title IV-E adoption assistance payments are to be made must not be  
 75.27 approved if a background study reveals a felony conviction at any time for:

75.28 (1) child abuse or neglect;

75.29 (2) spousal abuse;

75.30 (3) a crime against children, including child pornography; or

75.31 (4) a crime involving violence, including rape, sexual assault, or homicide, but not  
 75.32 including other physical assault or battery.

75.33 (d) A home study under paragraph (b) used to consider placement of any child  
 75.34 on whose behalf Title IV-E adoption assistance payments are to be made must not be  
 75.35 approved if a background study reveals a felony conviction within the past five years for:

75.36 (1) physical assault or battery; or

76.1 (2) a drug-related offense.

76.2 Subd. 4. **Updates to adoption study; period of validity.** An agency may update  
76.3 an adoption study and report as needed, regardless of when the original study and report  
76.4 or most recent update was completed. An update must be in a format specified by the  
76.5 commissioner and must verify the continuing accuracy of the elements of the original  
76.6 report and document any changes to elements of the original report. An update to a study  
76.7 and report not originally completed under this section must ensure that the study and  
76.8 report, as updated, meet the requirements of this section. An adoption study is valid if the  
76.9 report has been completed or updated within the previous 12 months.

76.10 Sec. 26. Minnesota Statutes 2006, section 259.47, subdivision 3, is amended to read:

76.11 Subd. 3. **Preadoptive custody order.** (a) Before a child is placed in a prospective  
76.12 adoptive home by a birth parent or legal guardian, other than an agency, the placement  
76.13 must be approved by the district court in the county where the prospective adoptive parent  
76.14 resides. Consistent with chapter 245C and Public Law 109-248, a completed background  
76.15 study is required before the approval of any foster or adoptive placement in a related or  
76.16 an unrelated home. An order under this subdivision or subdivision 6 shall state that the  
76.17 prospective adoptive parent's right to custody of the child is subject to the birth parent's  
76.18 right to custody until the consents to the child's adoption become irrevocable. At the time  
76.19 of placement, prospective adoptive parents must have for the child qualifying existing  
76.20 coverage as defined in section 62L.02, subdivision 24, or other similar comprehensive  
76.21 health care coverage. The preadoptive custody order must include any agreement reached  
76.22 between the prospective adoptive parent and the birth parent regarding authority to make  
76.23 decisions after placement for medical care of the child and responsibility for payment for  
76.24 medical care not provided by the adoptive parent's existing health care coverage. The  
76.25 prospective adoptive parent must meet the residence requirements of section 259.22,  
76.26 subdivision 1, and must file with the court an affidavit of intent to remain a resident of  
76.27 the state for at least three months after the child is placed in the prospective adoptive  
76.28 home. The prospective adoptive parent shall file with the court a notice of intent to file  
76.29 an adoption petition and submit a written motion seeking an order granting temporary  
76.30 preadoptive custody. The notice and motion required under this subdivision may be  
76.31 considered by the court ex parte, without a hearing. The prospective adoptive parent  
76.32 shall serve a copy of the notice and motion upon any parent whose consent is required  
76.33 under section 259.24 or who is named in the affidavit required under paragraph (b) if that  
76.34 person's mailing address is known. The motion may be filed up to 60 days before the  
76.35 placement is to be made and must include:

- 77.1 (1) the adoption study required under section 259.41;
- 77.2 (2) affidavits from the birth parents indicating their support of the motion, or, if there  
77.3 is no affidavit from the birth father, an affidavit from the birth mother under paragraph (b);
- 77.4 (3) an itemized statement of expenses that have been paid and an estimate of  
77.5 expenses that will be paid by the prospective adoptive parents to the birth parents, any  
77.6 agency, attorney, or other party in connection with the prospective adoption;
- 77.7 (4) the name of counsel for each party, if any;
- 77.8 (5) a statement that the birth parents:
- 77.9 (i) have provided the social and medical history required under section 259.43 to  
77.10 the prospective adoptive parent;
- 77.11 (ii) have received the written statement of their legal rights and responsibilities  
77.12 under section 259.39; and
- 77.13 (iii) have been notified of their right to receive counseling under subdivision 4; and
- 77.14 (6) the name of the agency chosen by the adoptive parent to supervise the adoptive  
77.15 placement and complete the postplacement assessment required by section 259.53,  
77.16 subdivision 2.

77.17 The court shall review the expense statement submitted under this subdivision to  
77.18 determine whether payments made or to be made by the prospective adoptive parent are  
77.19 lawful and in accordance with section 259.55, subdivision 1.

77.20 (b) If the birth mother submits the affidavit required in paragraph (a), clause (2),  
77.21 but the birth father fails to do so, the birth mother must submit an additional affidavit that  
77.22 describes her good faith efforts or efforts made on her behalf to identify and locate the  
77.23 birth father for purposes of securing his consent. In the following circumstances the  
77.24 birth mother may instead submit an affidavit stating on which ground she is exempt from  
77.25 making efforts to identify and locate the father:

- 77.26 (1) the child was conceived as the result of incest or rape;
- 77.27 (2) efforts to locate the father by the affiant or anyone acting on the affiant's behalf  
77.28 could reasonably result in physical harm to the birth mother or child; or
- 77.29 (3) efforts to locate the father by the affiant or anyone acting on the affiant's behalf  
77.30 could reasonably result in severe emotional distress of the birth mother or child.

77.31 A court shall consider the motion for temporary preadoptive custody within 30  
77.32 days of receiving the motion or by the anticipated placement date stated in the motion,  
77.33 whichever comes sooner.

77.34 Sec. 27. Minnesota Statutes 2006, section 259.53, subdivision 2, is amended to read:

78.1 Subd. 2. **Adoption agencies; postplacement assessment and report.** (a) The  
 78.2 agency to which the petition has been referred under subdivision 1 shall conduct a  
 78.3 postplacement assessment and file a report with the court within 90 days of receipt  
 78.4 of a copy of the adoption petition. The agency shall send a copy of the report to the  
 78.5 commissioner at the time it files the report with the court. The assessment and report  
 78.6 must evaluate the environment and antecedents of the child to be adopted, the home of  
 78.7 the petitioners, whether placement with the petitioners meets the needs of the child as  
 78.8 described in section 259.57, subdivision 2. The report must include a recommendation to  
 78.9 the court as to whether the petition should or should not be granted.

78.10 In making evaluations and recommendations, the postplacement assessment and  
 78.11 report must, at a minimum, address the following:

78.12 (1) the level of adaptation by the prospective adoptive parents to parenting the child;

78.13 (2) the health and well-being of the child in the prospective adoptive parents' home;

78.14 (3) the level of incorporation by the child into the prospective adoptive parents'  
 78.15 home, extended family, and community; and

78.16 (4) the level of inclusion of the child's previous history into the prospective adoptive  
 78.17 home, such as cultural or ethnic practices, or contact with former foster parents or  
 78.18 biological relatives.

78.19 (b) A postplacement adoption report is valid for 12 months following its date  
 78.20 of completion.

78.21 ~~(c) If the petitioner is an individual who is related to the child, as defined by section~~  
 78.22 ~~245A.02, subdivision 13, the agency, as part of its postplacement assessment and report~~  
 78.23 ~~under paragraph (a), shall conduct a background check meeting the requirements of~~  
 78.24 ~~section 259.41, subdivision 3, paragraph (b). The prospective adoptive parent shall~~  
 78.25 ~~cooperate in the completion of the background check by supplying the information and~~  
 78.26 ~~authorizations described in section 259.41, subdivision 3, paragraph (a).~~

78.27 ~~(d)~~ (c) If the report recommends that the court not grant the petition to adopt the  
 78.28 child, the provisions of this paragraph apply. Unless the assessment and report were  
 78.29 completed by the local social services agency, the agency completing the report, at the  
 78.30 time it files the report with the court under paragraph (a), must provide a copy of the report  
 78.31 to the local social services agency in the county where the prospective adoptive parent  
 78.32 lives. The agency or local social services agency may recommend that the court dismiss  
 78.33 the petition. If the local social services agency determines that continued placement in the  
 78.34 home endangers the child's physical or emotional health, the agency shall seek a court  
 78.35 order to remove the child from the home.

79.1 ~~(e)~~ (d) If, through no fault of the petitioner, the agency to whom the petition was  
79.2 referred under subdivision 1, paragraph (b), fails to complete the assessment and file the  
79.3 report within 90 days of the date it received a copy of the adoption petition, the court may  
79.4 hear the petition upon giving the agency and the local social services agency, if different,  
79.5 five days' notice by mail of the time and place of the hearing.

79.6 Sec. 28. Minnesota Statutes 2006, section 259.57, subdivision 2, is amended to read:

79.7 Subd. 2. **Protection of child's best interests.** (a) The policy of the state of  
79.8 Minnesota is to ensure that the best interests of children are met by requiring an  
79.9 individualized determination of the needs of the child and how the adoptive placement  
79.10 will serve the needs of the child.

79.11 (b) Among the factors the court shall consider in determining the needs of the child  
79.12 are those specified under section 260C.193, subdivision 3, paragraph (b). Consistent  
79.13 with chapters 245A and 245C and Public Law 109-248, a completed background study  
79.14 is required before the approval of any foster or adoptive placement in a related or an  
79.15 unrelated home.

79.16 (c) In reviewing adoptive placement and in determining appropriate adoption,  
79.17 the court shall consider placement, consistent with the child's best interests and in the  
79.18 following order, with (1) a relative or relatives of the child, or (2) an important friend with  
79.19 whom the child has resided or had significant contact. Placement of a child cannot be  
79.20 delayed or denied based on race, color, or national origin of the adoptive parent or the  
79.21 child. Whenever possible, siblings should be placed together unless it is determined  
79.22 not to be in the best interests of a sibling.

79.23 (d) If the child's birth parent or parents explicitly request that relatives and important  
79.24 friends not be considered, the court shall honor that request consistent with the best  
79.25 interests of the child.

79.26 If the child's birth parent or parents express a preference for placing the child in an  
79.27 adoptive home of the same or a similar religious background to that of the birth parent  
79.28 or parents, the court shall place the child with a family that also meets the birth parent's  
79.29 religious preference. Only if no family is available as described in clause (a) or (b)  
79.30 may the court give preference to a family described in clause (c) that meets the parent's  
79.31 religious preference.

79.32 (e) This subdivision does not affect the Indian Child Welfare Act, United States  
79.33 Code, title 25, sections 1901 to 1923, and the Minnesota Indian Family Preservation  
79.34 Act, sections 260.751 to 260.835.

80.1 Sec. 29. Minnesota Statutes 2006, section 260C.193, subdivision 3, is amended to read:

80.2 Subd. 3. **Best interest of the child in foster care or residential care.** (a) The  
80.3 policy of the state is to ensure that the best interests of children in foster or residential care  
80.4 are met by requiring individualized determinations under section 260C.212, subdivision 2,  
80.5 paragraph (b), of the needs of the child and of how the selected placement will serve the  
80.6 needs of the child in foster care placements.

80.7 (b) The court shall review whether the responsible social services agency made  
80.8 efforts as required under section 260C.212, subdivision 5, and made an individualized  
80.9 determination as required under section 260C.212, subdivision 2. If the court finds the  
80.10 agency has not made efforts as required under section 260C.212, subdivision 5, and there  
80.11 is a relative who qualifies to be licensed to provide family foster care under chapter 245A,  
80.12 the court may order the child placed with the relative consistent with the child's best  
80.13 interests. Consistent with chapters 245A and 245C and Public Law 109-248, a completed  
80.14 background study is required before the approval of any foster or adoptive placement in  
80.15 a related or an unrelated home.

80.16 (c) If the child's birth parent or parents explicitly request that a relative or important  
80.17 friend not be considered, the court shall honor that request if it is consistent with the best  
80.18 interests of the child. If the child's birth parent or parents express a preference for placing  
80.19 the child in a foster or adoptive home of the same or a similar religious background to  
80.20 that of the birth parent or parents, the court shall order placement of the child with an  
80.21 individual who meets the birth parent's religious preference.

80.22 (d) Placement of a child cannot be delayed or denied based on race, color, or national  
80.23 origin of the foster parent or the child.

80.24 (e) Whenever possible, siblings should be placed together unless it is determined  
80.25 not to be in the best interests of a sibling. If siblings are not placed together according to  
80.26 section 260C.212, subdivision 2, paragraph (d), the responsible social services agency  
80.27 shall report to the court the efforts made to place the siblings together and why the  
80.28 efforts were not successful. If the court is not satisfied with the agency's efforts to place  
80.29 siblings together, the court may order the agency to make further efforts. If siblings are  
80.30 not placed together the court shall review the responsible social services agency's plan  
80.31 for visitation among siblings required as part of the out-of-home placement plan under  
80.32 section 260C.212.

80.33 (f) This subdivision does not affect the Indian Child Welfare Act, United States  
80.34 Code, title 25, sections 1901 to 1923, and the Minnesota Indian Family Preservation  
80.35 Act, sections 260.751 to 260.835.

81.1 Sec. 30. Minnesota Statutes 2006, section 260C.209, is amended to read:

81.2 **260C.209 BACKGROUND CHECKS.**

81.3 Subdivision 1. **Subjects.** The responsible social services agency must ~~conduct~~  
81.4 initiate a background ~~check~~ study to be completed by the commissioner under this section  
81.5 of chapter 245C on the following individuals:

81.6 (1) a noncustodial parent or nonadjudicated parent who is being assessed for  
81.7 purposes of providing day-to-day care of a child temporarily or permanently under section  
81.8 260C.212, subdivision 4, and any member of the parent's household who is over the age of  
81.9 13 when there is a reasonable cause to believe that the parent or household member over  
81.10 age 13 has a criminal history or a history of maltreatment of a child or vulnerable adult  
81.11 which would endanger the child's health, safety, or welfare;

81.12 (2) an individual whose suitability for relative placement under section 260C.212,  
81.13 subdivision 5, is being determined and any member of the relative's household who is  
81.14 over the age of 13 when:

81.15 (i) the relative must be licensed for foster care; or

81.16 (ii) ~~the agency must conduct a background study~~ is required under section 259.53,  
81.17 subdivision 2; or

81.18 (iii) the agency or the commissioner has reasonable cause to believe the relative  
81.19 or household member over the age of 13 has a criminal history which would not make  
81.20 transfer of permanent legal and physical custody to the relative under section 260C.201,  
81.21 subdivision 11, in the child's best interest; and

81.22 (3) a parent, following an out-of-home placement, when the responsible social  
81.23 services agency has reasonable cause to believe that the parent has been convicted of a  
81.24 crime directly related to the parent's capacity to maintain the child's health, safety, or  
81.25 welfare or the parent is the subject of an open investigation of, or has been the subject  
81.26 of a substantiated allegation of, child or vulnerable-adult maltreatment within the past  
81.27 ten years.

81.28 "Reasonable cause" means that the agency has received information or a report from the  
81.29 subject or a third person that creates an articulable suspicion that the individual has a  
81.30 history that may pose a risk to the health, safety, or welfare of the child. The information  
81.31 or report must be specific to the potential subject of the background check and shall not  
81.32 be based on the race, religion, ethnic background, age, class, or lifestyle of the potential  
81.33 subject.

81.34 Subd. 2. **General procedures.** (a) When ~~conducting~~ initiating a background check  
81.35 under subdivision 1, the agency ~~may~~ shall require the individual being assessed to provide  
81.36 sufficient information to ensure an accurate assessment under this section, including:

82.1 (1) the individual's first, middle, and last name and all other names by which the  
82.2 individual has been known;

82.3 (2) home address, zip code, city, county, and state of residence for the past ~~ten~~ five  
82.4 years;

82.5 (3) sex;

82.6 (4) date of birth; and

82.7 (5) driver's license number or state identification number.

82.8 (b) When notified by the commissioner or the responsible social services agency that  
82.9 it is conducting an assessment under this section, the Bureau of Criminal Apprehension,  
82.10 commissioners of health and human services, law enforcement, and county agencies must  
82.11 provide the commissioner or responsible social services agency or county attorney with  
82.12 the following information on the individual being assessed: criminal history data, reports  
82.13 about the maltreatment of adults substantiated under section 626.557, and reports of  
82.14 maltreatment of minors substantiated under section 626.556.

82.15 (c) Consistent with chapters 245A and 245C and Public Law 109-248, a completed  
82.16 background study is required before the approval of any foster or adoptive placement in  
82.17 a related or an unrelated home.

82.18 Subd. 3. **Multistate information.** ~~(a) For any assessment every background study~~  
82.19 ~~completed under this section, if the responsible social services agency has reasonable~~  
82.20 ~~cause to believe that the individual is a multistate offender, the individual must~~ the subject  
82.21 of the background study shall provide the responsible social services agency ~~or the~~  
82.22 ~~county attorney~~ with a set of classifiable fingerprints obtained from an authorized ~~law~~  
82.23 ~~enforcement~~ agency. The responsible social services agency ~~or county attorney may~~ shall  
82.24 provide the fingerprints to the commissioner, and the commissioner shall obtain criminal  
82.25 history data from the National Criminal Records Repository by submitting the fingerprints  
82.26 to the Bureau of Criminal Apprehension.

82.27 ~~(b) For purposes of this subdivision, the responsible social services agency has~~  
82.28 ~~reasonable cause when, but not limited to:~~

82.29 ~~(1) information from the Bureau of Criminal Apprehension indicates that the~~  
82.30 ~~individual is a multistate offender;~~

82.31 ~~(2) information from the Bureau of Criminal Apprehension indicates that multistate~~  
82.32 ~~offender status is undetermined;~~

82.33 ~~(3) the social services agency has received a report from the individual or a third~~  
82.34 ~~party indicating that the individual has a criminal history in a jurisdiction other than~~  
82.35 ~~Minnesota; or~~

83.1 ~~(4) the individual is or has been a resident of a state other than Minnesota at any~~  
 83.2 ~~time during the prior ten years.~~

83.3 Subd. 4. **Notice upon receipt.** ~~The responsible social services agency commissioner~~  
 83.4 ~~must provide the subject of the background study with the results of the study as required~~  
 83.5 ~~under this section within 15 business days of receipt or at least 15 days prior to the hearing~~  
 83.6 ~~at which the results will be presented, whichever comes first. The subject may provide~~  
 83.7 ~~written information to the agency that the results are incorrect and may provide additional~~  
 83.8 ~~or clarifying information to the agency and to the court through a party to the proceeding.~~  
 83.9 ~~This provision does not apply to any background study conducted under chapters 245A~~  
 83.10 ~~and chapter 245C.~~

83.11 Sec. 31. Minnesota Statutes 2006, section 260C.212, subdivision 2, is amended to read:

83.12 Subd. 2. **Placement decisions based on best interest of the child.** (a) The policy  
 83.13 of the state of Minnesota is to ensure that the child's best interests are met by requiring an  
 83.14 individualized determination of the needs of the child and of how the selected placement  
 83.15 will serve the needs of the child being placed. The authorized child-placing agency shall  
 83.16 place a child, released by court order or by voluntary release by the parent or parents, in  
 83.17 a family foster home selected by considering placement with relatives and important  
 83.18 friends in the following order:

83.19 (1) with an individual who is related to the child by blood, marriage, or adoption; or  
 83.20 (2) with an individual who is an important friend with whom the child has resided or  
 83.21 had significant contact.

83.22 (b) Among the factors the agency shall consider in determining the needs of the  
 83.23 child are the following:

83.24 (1) the child's current functioning and behaviors;  
 83.25 (2) the medical, educational, and developmental needs of the child;  
 83.26 (3) the child's history and past experience;  
 83.27 (4) the child's religious and cultural needs;  
 83.28 (5) the child's connection with a community, school, and church;  
 83.29 (6) the child's interests and talents;  
 83.30 (7) the child's relationship to current caretakers, parents, siblings, and relatives; and  
 83.31 (8) the reasonable preference of the child, if the court, or the child-placing agency  
 83.32 in the case of a voluntary placement, deems the child to be of sufficient age to express  
 83.33 preferences.

83.34 (c) Placement of a child cannot be delayed or denied based on race, color, or national  
 83.35 origin of the foster parent or the child.

84.1 (d) Siblings should be placed together for foster care and adoption at the earliest  
 84.2 possible time unless it is determined not to be in the best interests of a sibling or unless it  
 84.3 is not possible after appropriate efforts by the responsible social services agency.

84.4 (e) Placement of a child in a foster or an adoptive home must be consistent with  
 84.5 chapters 245A and 245C and Public Law 109-248, which require a completed background  
 84.6 study before the approval of any foster or adoptive placement in a related or an unrelated  
 84.7 home.

84.8 **ARTICLE 5**

84.9 **HEALTH CARE**

84.10 Section 1. Minnesota Statutes 2006, section 16A.724, subdivision 2, is amended to  
 84.11 read:

84.12 Subd. 2. **Transfers.** (a) Notwithstanding section 295.581, to the extent available  
 84.13 resources in the health care access fund exceed expenditures in that fund, effective with  
 84.14 the biennium beginning July 1, 2007, the commissioner of finance shall transfer the excess  
 84.15 funds from the health care access fund to the general fund on June 30 of each year,  
 84.16 provided that the amount transferred in any fiscal biennium shall not exceed \$96,000,000.  
 84.17 For the biennium ending June 30, 2009, the amount shall not exceed \$126,583,000.

84.18 (b) For fiscal years 2006 to 2009, MinnesotaCare shall be a forecasted program, and,  
 84.19 if necessary, the commissioner shall reduce these transfers from the health care access  
 84.20 fund to the general fund to meet annual MinnesotaCare expenditures or, if necessary,  
 84.21 transfer sufficient funds from the general fund to the health care access fund to meet  
 84.22 annual MinnesotaCare expenditures.

84.23 Sec. 2. Minnesota Statutes 2006, section 256.482, subdivision 1, is amended to read:

84.24 Subdivision 1. **Establishment; members.** There is hereby established the Council  
 84.25 on Disability which shall consist of 21 members appointed by the governor. Members  
 84.26 shall be appointed from the general public and from organizations which provide services  
 84.27 for persons who have a disability. A majority of council members shall be persons with a  
 84.28 disability or parents or guardians of persons with a disability. There shall be at least  
 84.29 one member of the council appointed from each of the state development regions. The  
 84.30 commissioners of the Departments of Education, Human Services, Health, and Human  
 84.31 Rights and the directors of the Rehabilitation Services and State Services for the Blind in  
 84.32 the Department of Employment and Economic Development or their designees shall serve  
 84.33 as ex officio members of the council without vote. In addition, the council may appoint ex

85.1 officio members from other bureaus, divisions, or sections of state departments which are  
85.2 directly concerned with the provision of services to persons with a disability.

85.3 Notwithstanding the provisions of section 15.059, each member of the council  
85.4 appointed by the governor shall serve a three-year term and until a successor is appointed  
85.5 and qualified. The compensation and removal of all members shall be as provided in  
85.6 section 15.059. The council performs functions that are not purely advisory, therefore the  
85.7 expiration dates provided in section 15.059 do not apply. The governor shall appoint a  
85.8 chair of the council from among the members appointed from the general public or who  
85.9 are persons with a disability or their parents or guardians. Vacancies shall be filled by the  
85.10 authority for the remainder of the unexpired term.

85.11 Sec. 3. Minnesota Statutes 2006, section 256.482, subdivision 8, is amended to read:

85.12 ~~Subd. 8. **Sunset.** Notwithstanding section 15.059, subdivision 5, the Council on~~  
85.13 ~~Disability shall not sunset until June 30, 2007.~~

85.14 Sec. 4. Minnesota Statutes 2006, section 256B.0625, subdivision 18a, is amended to  
85.15 read:

85.16 Subd. 18a. **Access to medical services.** (a) Medical assistance reimbursement for  
85.17 meals for persons traveling to receive medical care may not exceed \$5.50 for breakfast,  
85.18 \$6.50 for lunch, or \$8 for dinner.

85.19 (b) Medical assistance reimbursement for lodging for persons traveling to receive  
85.20 medical care may not exceed \$50 per day unless prior authorized by the local agency.

85.21 (c) Medical assistance direct mileage reimbursement to ~~the~~ an eligible person or ~~the~~  
85.22 an eligible person's ~~driver may not exceed 20 cents per mile~~ friend, neighbor, or relative  
85.23 that is providing direct transportation to a covered service shall be at 15 cents below the  
85.24 current Internal Revenue Service mileage reimbursement for business purposes.

85.25 (d) Medical assistance covers oral language interpreter services when provided by  
85.26 an enrolled health care provider during the course of providing a direct, person-to-person  
85.27 covered health care service to an enrolled recipient with limited English proficiency.

85.28 Sec. 5. Minnesota Statutes 2006, section 256B.76, is amended to read:

85.29 **256B.76 PHYSICIAN AND DENTAL REIMBURSEMENT.**

85.30 (a) Effective for services rendered on or after October 1, 1992, the commissioner  
85.31 shall make payments for physician services as follows:

85.32 (1) payment for level one Centers for Medicare and Medicaid Services' common  
85.33 procedural coding system codes titled "office and other outpatient services," "preventive

86.1 medicine new and established patient," "delivery, antepartum, and postpartum care,"  
86.2 "critical care," cesarean delivery and pharmacologic management provided to psychiatric  
86.3 patients, and level three codes for enhanced services for prenatal high risk, shall be paid  
86.4 at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June  
86.5 30, 1992. If the rate on any procedure code within these categories is different than the  
86.6 rate that would have been paid under the methodology in section 256B.74, subdivision 2,  
86.7 then the larger rate shall be paid;

86.8 (2) payments for all other services shall be paid at the lower of (i) submitted charges,  
86.9 or (ii) 15.4 percent above the rate in effect on June 30, 1992;

86.10 (3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th  
86.11 percentile of 1989, less the percent in aggregate necessary to equal the above increases  
86.12 except that payment rates for home health agency services shall be the rates in effect  
86.13 on September 30, 1992;

86.14 (4) effective for services rendered on or after January 1, 2000, payment rates for  
86.15 physician and professional services shall be increased by three percent over the rates in  
86.16 effect on December 31, 1999, except for home health agency and family planning agency  
86.17 services; and

86.18 (5) the increases in clause (4) shall be implemented January 1, 2000, for managed  
86.19 care.

86.20 (b) Effective for services rendered on or after October 1, 1992, the commissioner  
86.21 shall make payments for dental services as follows:

86.22 (1) dental services shall be paid at the lower of (i) submitted charges, or (ii) 25  
86.23 percent above the rate in effect on June 30, 1992;

86.24 (2) dental rates shall be converted from the 50th percentile of 1982 to the 50th  
86.25 percentile of 1989, less the percent in aggregate necessary to equal the above increases;

86.26 (3) effective for services rendered on or after January 1, 2000, payment rates for  
86.27 dental services shall be increased by three percent over the rates in effect on December  
86.28 31, 1999;

86.29 (4) the commissioner shall award grants to community clinics or other nonprofit  
86.30 community organizations, political subdivisions, professional associations, or other  
86.31 organizations that demonstrate the ability to provide dental services effectively to public  
86.32 program recipients. Grants may be used to fund the costs related to coordinating access for  
86.33 recipients, developing and implementing patient care criteria, upgrading or establishing  
86.34 new facilities, acquiring furnishings or equipment, recruiting new providers, or other  
86.35 development costs that will improve access to dental care in a region. In awarding grants,  
86.36 the commissioner shall give priority to applicants that plan to serve areas of the state in

87.1 which the number of dental providers is not currently sufficient to meet the needs of  
 87.2 recipients of public programs or uninsured individuals. The commissioner shall consider  
 87.3 the following in awarding the grants:

- 87.4 (i) potential to successfully increase access to an underserved population;
- 87.5 (ii) the ability to raise matching funds;
- 87.6 (iii) the long-term viability of the project to improve access beyond the period  
 87.7 of initial funding;
- 87.8 (iv) the efficiency in the use of the funding; and
- 87.9 (v) the experience of the proposers in providing services to the target population.

87.10 The commissioner shall monitor the grants and may terminate a grant if the grantee  
 87.11 does not increase dental access for public program recipients. The commissioner shall  
 87.12 consider grants for the following:

- 87.13 (i) implementation of new programs or continued expansion of current access  
 87.14 programs that have demonstrated success in providing dental services in underserved  
 87.15 areas;
- 87.16 (ii) a pilot program for utilizing hygienists outside of a traditional dental office to  
 87.17 provide dental hygiene services; and
- 87.18 (iii) a program that organizes a network of volunteer dentists, establishes a system to  
 87.19 refer eligible individuals to volunteer dentists, and through that network provides donated  
 87.20 dental care services to public program recipients or uninsured individuals;
- 87.21 (5) beginning October 1, 1999, the payment for tooth sealants and fluoride treatments  
 87.22 shall be the lower of (i) submitted charge, or (ii) 80 percent of median 1997 charges;
- 87.23 (6) the increases listed in clauses (3) and (5) shall be implemented January 1, 2000,  
 87.24 for managed care; and
- 87.25 (7) effective for services provided on or after January 1, 2002, payment for  
 87.26 diagnostic examinations and dental x-rays provided to children under age 21 shall be the  
 87.27 lower of (i) the submitted charge, or (ii) 85 percent of median 1999 charges.

87.28 (c) Effective for dental services rendered on or after January 1, 2002, the  
 87.29 commissioner may, ~~within the limits of available appropriation,~~ increase reimbursements  
 87.30 to dentists and dental clinics deemed by the commissioner to be critical access dental  
 87.31 providers. ~~Reimbursement to a critical access dental provider may be increased by not~~  
 87.32 ~~more than 50 percent above the reimbursement rate that would otherwise be paid to the~~  
 87.33 ~~provider. Payments to~~ For dental services rendered after June 30, 2007, the commissioner  
 87.34 shall increase reimbursement by 33 percent above the reimbursement rate that would  
 87.35 otherwise be paid to the provider. The commissioner shall pay the health plan companies  
 87.36 ~~shall be adjusted~~ in amounts sufficient to reflect increased reimbursements to critical

88.1 access dental providers as approved by the commissioner. In determining which dentists  
88.2 and dental clinics shall be deemed critical access dental providers, the commissioner  
88.3 shall review:

88.4 (1) the utilization rate in the service area in which the dentist or dental clinic operates  
88.5 for dental services to patients covered by medical assistance, general assistance medical  
88.6 care, or MinnesotaCare as their primary source of coverage;

88.7 (2) the level of services provided by the dentist or dental clinic to patients covered  
88.8 by medical assistance, general assistance medical care, or MinnesotaCare as their primary  
88.9 source of coverage; and

88.10 (3) whether the level of services provided by the dentist or dental clinic is critical to  
88.11 maintaining adequate levels of patient access within the service area.

88.12 In the absence of a critical access dental provider in a service area, the commissioner may  
88.13 designate a dentist or dental clinic as a critical access dental provider if the dentist or  
88.14 dental clinic is willing to provide care to patients covered by medical assistance, general  
88.15 assistance medical care, or MinnesotaCare at a level which significantly increases access  
88.16 to dental care in the service area.

88.17 ~~The commissioner shall annually establish a reimbursement schedule for critical~~  
88.18 ~~access dental providers and provider-specific limits on total reimbursement received~~  
88.19 ~~under the reimbursement schedule, and shall notify each critical access dental provider~~  
88.20 ~~of the schedule and limit.~~

88.21 (d) An entity that operates both a Medicare certified comprehensive outpatient  
88.22 rehabilitation facility and a facility which was certified prior to January 1, 1993, that is  
88.23 licensed under Minnesota Rules, parts 9570.2000 to 9570.3600, and for whom at least 33  
88.24 percent of the clients receiving rehabilitation services in the most recent calendar year are  
88.25 medical assistance recipients, shall be reimbursed by the commissioner for rehabilitation  
88.26 services at rates that are 38 percent greater than the maximum reimbursement rate  
88.27 allowed under paragraph (a), clause (2), when those services are (1) provided within the  
88.28 comprehensive outpatient rehabilitation facility and (2) provided to residents of nursing  
88.29 facilities owned by the entity.

88.30 (e) Effective for services rendered on or after January 1, 2007, the commissioner  
88.31 shall make payments for physician and professional services based on the Medicare  
88.32 relative value units (RVU's). This change shall be budget neutral and the cost of  
88.33 implementing RVU's will be incorporated in the established conversion factor.

88.34 Sec. 6. Minnesota Statutes 2006, section 256L.11, subdivision 7, is amended to read:

89.1 Subd. 7. **Critical access dental providers.** Effective for dental services provided  
 89.2 to MinnesotaCare enrollees ~~on or after~~ between January 1, 2007, and June 30, 2007, the  
 89.3 commissioner shall increase payment rates to dentists and dental clinics deemed by the  
 89.4 commissioner to be critical access providers under section 256B.76, paragraph (c), by 50  
 89.5 percent above the payment rate that would otherwise be paid to the provider. Effective  
 89.6 for dental services provided to MinnesotaCare enrollees on or after July 1, 2007, the  
 89.7 commissioner shall increase payment rates to dentists and dental clinics deemed by the  
 89.8 commissioner to be critical access providers under section 256B.76, paragraph (c), by  
 89.9 33 percent above the payment rate that would otherwise be paid to the provider. The  
 89.10 commissioner shall ~~adjust the rates paid on or after January 1, 2007, to pay the prepaid~~  
 89.11 health plans under contract with the commissioner amounts sufficient to reflect this rate  
 89.12 increase. The prepaid health plan must pass this rate increase to providers who have  
 89.13 been identified by the commissioner as critical access dental providers under section  
 89.14 256B.76, paragraph (c).

## 89.15 ARTICLE 6

### 89.16 CONTINUING CARE

89.17 Section 1. Minnesota Statutes 2006, section 245A.02, subdivision 2, is amended to  
 89.18 read:

89.19 Subd. 2. **Adult.** "Adult" means a person who is 18 years old or older and who:

89.20 (1) has a mental illness, a developmental disability, a physical disability, a chronic  
 89.21 health condition, or a functional impairment; or

89.22 (2) is chemically dependent or abuses chemicals.

89.23 Sec. 2. Minnesota Statutes 2006, section 245A.02, subdivision 10, is amended to read:

89.24 Subd. 10. **Nonresidential program.** "Nonresidential program" means care,  
 89.25 supervision, rehabilitation, training or habilitation of a person provided outside the  
 89.26 person's own home and provided for fewer than 24 hours a day, including adult day  
 89.27 care programs; and chemical dependency or chemical abuse programs that are located  
 89.28 in a nursing home or hospital and receive public funds for providing chemical abuse or  
 89.29 chemical dependency treatment services under chapter 254B. Nonresidential programs  
 89.30 include home and community-based services funded under a federally approved home and  
 89.31 community-based services Medicaid waiver, day training and habilitation services, and  
 89.32 semi-independent living services for persons with developmental disabilities as identified  
 89.33 in chapter 245B, that are provided in or outside of a person's own home.

90.1 Sec. 3. Minnesota Statutes 2006, section 245A.02, subdivision 14, is amended to read:

90.2 Subd. 14. **Residential program.** "Residential program" means a program  
 90.3 that provides 24-hour-a-day care, supervision, food, lodging, rehabilitation, training,  
 90.4 education, habilitation, or treatment outside a person's own home, including a program  
 90.5 in an intermediate care facility for four or more persons with developmental disabilities;  
 90.6 and chemical dependency or chemical abuse programs that are located in a hospital  
 90.7 or nursing home and receive public funds for providing chemical abuse or chemical  
 90.8 dependency treatment services under chapter 254B. ~~Residential programs include home  
 90.9 and community-based services for persons with developmental disabilities that are  
 90.10 provided in or outside of a person's own home.~~

90.11 Sec. 4. Minnesota Statutes 2006, section 245A.10, subdivision 3, is amended to read:

90.12 Subd. 3. **Application fee for initial license or certification.** (a) For fees required  
 90.13 under subdivision 1, an applicant for an initial license or certification issued by the  
 90.14 commissioner shall submit a \$500 application fee with each new application required  
 90.15 under this subdivision. The application fee shall not be prorated, is nonrefundable, and  
 90.16 is in lieu of the annual license or certification fee that expires on December 31. The  
 90.17 commissioner shall not process an application until the application fee is paid.

90.18 (b) Except as provided in clauses (1) to (3), an applicant shall apply for a license  
 90.19 to provide services at a specific location.

90.20 (1) For a license to provide ~~waivered services to persons with developmental  
 90.21 disabilities or related conditions~~ residential-based supports and habilitation under a  
 90.22 federally approved home and community-based services Medicaid waiver required to be  
 90.23 licensed under chapter 245B, an applicant shall submit an application for each county in  
 90.24 which the ~~waivered~~ services will be provided.

90.25 (2) For a license to provide semi-independent living services ~~to persons with  
 90.26 developmental disabilities or related conditions~~ or supported employment or crisis respite  
 90.27 under a federally approved home and community-based services Medicaid waiver  
 90.28 required to be licensed under chapter 245B, an applicant shall submit a single application  
 90.29 to provide services statewide.

90.30 (3) For a license to provide independent living assistance for youth under section  
 90.31 245A.22, an applicant shall submit a single application to provide services statewide.

90.32 Sec. 5. Minnesota Statutes 2006, section 245A.10, subdivision 4, is amended to read:

91.1 Subd. 4. **License or certification fee for certain programs.** (a) Child care centers  
 91.2 and programs with a licensed capacity shall pay an annual nonrefundable license or  
 91.3 certification fee based on the following schedule:

91.4	Licensed Capacity	Child Care	Other Program
91.5		Center License	License Fee
91.6		Fee	
91.7	1 to 24 persons	\$225	\$400
91.8	25 to 49 persons	\$340	\$600
91.9	50 to 74 persons	\$450	\$800
91.10	75 to 99 persons	\$565	\$1,000
91.11	100 to 124 persons	\$675	\$1,200
91.12	125 to 149 persons	\$900	\$1,400
91.13	150 to 174 persons	\$1,050	\$1,600
91.14	175 to 199 persons	\$1,200	\$1,800
91.15	200 to 224 persons	\$1,350	\$2,000
91.16	225 or more persons	\$1,500	\$2,500

91.17 (b) A day training and habilitation program serving persons with developmental  
 91.18 disabilities or ~~related conditions~~ an adult day supports and habilitation program under a  
 91.19 federally approved home and community-based services Medicaid waiver required to be  
 91.20 licensed under chapter 245B, shall be assessed a license fee based on the schedule in  
 91.21 paragraph (a) unless the license holder serves more than 50 percent of the same persons at  
 91.22 two or more locations in the community. When a day training and habilitation program  
 91.23 serves more than 50 percent of the same persons in two or more locations in a community,  
 91.24 the day training and habilitation program shall pay a license fee based on the licensed  
 91.25 capacity of the largest facility and the other facility or facilities shall be charged a license  
 91.26 fee based on a licensed capacity of a residential program serving one to 24 persons.

91.27 Sec. 6. Minnesota Statutes 2006, section 245A.10, subdivision 5, is amended to read:

91.28 Subd. 5. **License or certification fee for other programs.** (a) Except as provided  
 91.29 in paragraphs (b) and (c), a program without a stated licensed capacity shall pay a license  
 91.30 or certification fee of \$400.

91.31 (b) A mental health center or mental health clinic requesting certification for  
 91.32 purposes of insurance and subscriber contract reimbursement under Minnesota Rules,  
 91.33 parts 9520.0750 to 9520.0870, shall pay a certification fee of \$1,000 per year. If the  
 91.34 mental health center or mental health clinic provides services at a primary location with  
 91.35 satellite facilities, the satellite facilities shall be certified with the primary location without  
 91.36 an additional charge.

92.1 (c) A program licensed to provide residential-based supports and habilitation  
 92.2 services under the a federally approved home and community-based services Medicaid  
 92.3 waiver for persons with developmental disabilities required to be licensed under chapter  
 92.4 245B, shall pay an annual license fee that includes a base rate of \$250 plus \$38 times  
 92.5 the number of clients served on the first day of August of the current license year.  
 92.6 State-operated programs are exempt from the license fee under this paragraph.

92.7 Sec. 7. Minnesota Statutes 2006, section 245B.01, is amended to read:

92.8 **245B.01 RULE CONSOLIDATION PURPOSE.**

92.9 This chapter establishes ~~new methods to ensure the quality of services to persons~~  
 92.10 ~~with developmental disabilities, and streamlines and simplifies regulation of services~~  
 92.11 ~~and supports for persons with developmental disabilities. Sections 245B.02 to 245B.07~~  
 92.12 ~~establish new standards that eliminate duplication and overlap of regulatory requirements~~  
 92.13 ~~by consolidating and replacing rule parts from four program rules. Section 245B.08~~  
 92.14 ~~authorizes the commissioner of human services to develop and use new regulatory~~  
 92.15 ~~strategies to maintain compliance with the streamlined requirements. provider standards~~  
 92.16 for the health, safety, and protection of rights for people with disabilities receiving services  
 92.17 and supports licensed by the commissioner of human services under this chapter. The  
 92.18 establishment of these provider standards and the related review processes provide a  
 92.19 method for the commissioner to meet federal requirements for the Medicaid home and  
 92.20 community-based waivers for people with disabilities. The federal requirements include:

- 92.21 (1) the establishment of provider standards;  
 92.22 (2) regular reviews to ensure standards are met;  
 92.23 (3) analysis of findings from review activities;  
 92.24 (4) use of the findings to correct problems and improve services; and  
 92.25 (5) an annual report to the federal government on the state's progress on the items in  
 92.26 clauses (1) to (4).

92.27 Sec. 8. Minnesota Statutes 2006, section 245B.02, is amended to read:

92.28 **245B.02 DEFINITIONS.**

92.29 Subdivision 1. **Scope.** The terms used in this chapter have the meanings given them.

92.30 **Subd. 1a. Adult day supports and habilitation.** "Adult day supports and  
 92.31 habilitation" means care, supervision, supports, or training provided at a facility-based  
 92.32 service site or in the community which are funded by a home and community-based  
 92.33 disability waiver. This service category includes the following services: structured day  
 92.34 programs, adult day care, prevocational services, and day training and habilitation services

93.1 for people with developmental disabilities as these terms are defined under the federal  
 93.2 disability waiver plan.

93.3 Subd. 2. **Applicant.** "Applicant" has the meaning given in section 245A.02,  
 93.4 subdivision 3.

93.5 Subd. 3. **Case manager.** "Case manager" means the individual designated by the  
 93.6 county board under rules of the commissioner to provide case management services as  
 93.7 delineated in section 256B.092 or 256B.49 or successor provisions.

93.8 Subd. 4. **Consumer.** "Consumer" means a person who has been determined eligible  
 93.9 to receive and is receiving services or ~~support for persons with developmental disabilities~~  
 93.10 supports licensed under this chapter.

93.11 Subd. 5. **Commissioner.** "Commissioner" means the commissioner of the  
 93.12 Department of Human Services or the commissioner's designated representative.

93.13 Subd. 5a. **Crisis respite.** "Crisis respite" means a services that provide specific  
 93.14 short term care and intervention due to a caregiver's need for relief, support, or protection  
 93.15 of the consumer or others living with that consumer. These services may address both  
 93.16 medical and behavioral needs.

93.17 Subd. 6. **Day training and habilitation services; developmental disabilities.**  
 93.18 "Day training and habilitation services for adults with developmental disabilities" has the  
 93.19 meaning given in sections 252.40 to 252.46.

93.20 Subd. 7. **Department.** "Department" means the Department of Human Services.

93.21 Subd. 8. **Direct service.** "Direct service" means, ~~for supervision, care, assistance,~~  
 93.22 or training provided to a consumer receiving residential-based services, day training and  
 93.23 habilitation services, or respite care services, one or more of the following: supervision;  
 93.24 assistance, or training services and supports from a license holder.

93.25 Subd. 9. **Health services.** "Health services" means any service or treatment  
 93.26 consistent with the health needs of the consumer, such as medication administration and  
 93.27 monitoring, medical, dental, nutritional, health monitoring, wellness education, and  
 93.28 exercise.

93.29 Subd. 9a. **Home and community-based disability waivers.** "Home  
 93.30 and community-based disability waivers" means federally approved home and  
 93.31 community-based waivers under the Social Security Act, section 1915(c), also authorized  
 93.32 by section 256B.092 or 256B.49 for persons with disabilities.

93.33 Subd. 10. **Incident.** "Incident" means any of the following:

- 93.34 (1) serious injury as determined by section 245.91, subdivision 6;  
 93.35 (2) a consumer's death;

94.1 (3) any medical emergencies, unexpected serious illnesses, or accidents that require  
94.2 physician treatment or hospitalization;

94.3 (4) a consumer's unauthorized absence;

94.4 (5) any fires or other events that require the relocation of services for more than 24  
94.5 hours, or circumstances involving a law enforcement agency or fire department related to  
94.6 the health, safety, or supervision of a consumer;

94.7 (6) physical aggression by a consumer against another consumer that causes  
94.8 physical pain, injury, or persistent emotional distress, including, but not limited to, hitting,  
94.9 slapping, kicking, scratching, pinching, biting, pushing, and spitting;

94.10 (7) any sexual activity between consumers involving force or coercion as defined  
94.11 under section 609.341, subdivisions 3 and 14; or

94.12 (8) a report of child or vulnerable adult maltreatment under section 626.556 or  
94.13 626.557.

94.14 Subd. 11. **Individual service plan.** "Individual service plan" has the meaning given  
94.15 in section 256B.092 or 256B.49 or successor provisions.

94.16 Subd. 12. **Individual who is related.** "Individual who is related" has the meaning  
94.17 given in section 245A.02, subdivision 13.

94.18 Subd. 12a. **Interdisciplinary team.** "Interdisciplinary team" means a team  
94.19 composed of the case manager, the person, the person's legal representative and advocate,  
94.20 if any, and representatives of providers of the service areas relevant to the needs of the  
94.21 person as described in the individual service plan.

94.22 Subd. 13. **Intermediate care facility for persons with developmental disabilities.**  
94.23 "Intermediate care facility for persons with developmental disabilities" or "ICF/MR"  
94.24 means a residential program licensed to provide services to persons with developmental  
94.25 disabilities under section 252.28 and chapter 245A and a physical facility licensed as a  
94.26 supervised living facility under chapter 144, which together are certified by the Department  
94.27 of Health as an intermediate care facility for persons with developmental disabilities.

94.28 Subd. 14. **Least restrictive environment.** "Least restrictive environment" means  
94.29 an environment where services:

94.30 (1) are delivered with minimum limitation, intrusion, disruption, or departure from  
94.31 typical patterns of living available to persons without disabilities;

94.32 (2) do not subject the consumer or others to unnecessary risks to health or safety; and

94.33 (3) maximize the consumer's level of independence, productivity, and inclusion  
94.34 in the community.

94.35 Subd. 15. **Legal representative.** "Legal representative" means the parent or parents  
94.36 of a consumer who is under 18 years of age or a guardian, conservator, or guardian ad

95.1 litem authorized by the court, or other legally authorized representative to make decisions  
95.2 about services for a consumer.

95.3 Subd. 16. **License.** "License" has the meaning given in section 245A.02,  
95.4 subdivision 8.

95.5 Subd. 17. **License holder.** "License holder" has the meaning given in section  
95.6 245A.02, subdivision 9.

95.7 Subd. 18. **Person with developmental disability.** "Person with developmental  
95.8 disability" means a person who has been diagnosed under section 256B.092 as having  
95.9 substantial limitations in present functioning, manifested as significantly subaverage  
95.10 intellectual functioning, existing concurrently with demonstrated deficits in adaptive  
95.11 behavior, and who manifests these conditions before the person's 22nd birthday. A person  
95.12 with a related condition means a person who meets the diagnostic definition under section  
95.13 252.27, subdivision 1a.

95.14 Subd. 19. **Psychotropic medication use checklist.** "Psychotropic medication use  
95.15 checklist" means the psychotropic medication monitoring checklist and manual used to  
95.16 govern the administration of psychotropic medications. The commissioner may revise or  
95.17 update the psychotropic medication use checklist to comply with legal requirements or to  
95.18 meet professional standards or guidelines ~~in the area of developmental disabilities~~. For  
95.19 purposes of this chapter, psychotropic medication means any medication prescribed to  
95.20 treat mental illness and associated behaviors or to control or alter behavior. The major  
95.21 classes of psychotropic medication are antipsychotic (neuroleptic), antidepressant,  
95.22 antianxiety, antimania, stimulant, and sedative or hypnotic. Other miscellaneous  
95.23 medications are considered to be a psychotropic medication when they are specifically  
95.24 prescribed to treat a mental illness or to control or alter behavior.

95.25 Subd. 20. **Residential-based supports and habilitation.** "Residential-based  
95.26 supports and habilitation" means care, supervision, ~~and supports, activities, or training~~  
95.27 provided primarily in the consumer's own home or place of residence but also including  
95.28 community-integrated activities following the individual service plan. ~~Residential~~  
95.29 ~~habilitation services are provided in coordination with the provision of day training and~~  
95.30 ~~habilitation services for those persons receiving day training and habilitation services~~  
95.31 ~~under sections 252.40 to 252.46. Residential-based supports and habilitation includes the~~  
95.32 following home and community-based waiver services: independent living skills, foster  
95.33 care, supportive living services, and in-home family supports as these terms are defined in  
95.34 the federal home and community-based disability waiver plans under the Social Security  
95.35 Act, section 1915(c).

96.1 Subd. 21. **Respite care.** "Respite care" has the meaning given in section 245A.02,  
96.2 subdivision 15.

96.3 Subd. 21a. **Restraints and restrictive interventions use standards.** "Restraints  
96.4 and restrictive interventions use standards" means standards governing the use of restraints  
96.5 or restrictive interventions as identified in the federal home and community-based waiver  
96.6 plan application. The commissioner may revise the standards to ensure compliance  
96.7 with state and federal requirements to meet professional standards or consumer health  
96.8 and safety.

96.9 Subd. 22. **Service.** "Service" means care, supervision, activities, or training  
96.10 designed to achieve the outcomes assigned to the license holder.

96.11 Subd. 23. **Semi-independent living services or SILS** "Semi-independent living  
96.12 services" or "SILS" has the meaning given in section 252.275.

96.13 Subd. 23a. **Supported employment.** "Supported employment" services include  
96.14 individualized counseling, individualized job development and placement that produce an  
96.15 appropriate job match for the individual and the employer, on-the-job training in work and  
96.16 related work skills required for job performance, ongoing supervision and monitoring of  
96.17 the person's performance, long-term support services to assure job retention, training in  
96.18 related skills essential to obtaining and retaining employment such as the effective use of  
96.19 community resources, use of break and lunch areas, transportation and mobility training,  
96.20 and transportation between the individual's place of residence and the work place when  
96.21 other forms of transportation are unavailable or inaccessible.

96.22 Subd. 24. **Volunteer.** "Volunteer" means an individual who, under the direction  
96.23 of the license holder, provides direct services without pay to consumers served by the  
96.24 license holder.

96.25 Sec. 9. Minnesota Statutes 2006, section 245B.03, subdivision 1, is amended to read:

96.26 Subdivision 1. **Applicability.** The standards in this chapter govern services to  
96.27 ~~persons with developmental disabilities~~ consumers receiving services from license holders  
96.28 ~~providing residential-based habilitation; day training and habilitation services for adults;~~  
96.29 ~~supported employment; semi-independent living services; residential programs that~~  
96.30 ~~serve more than four consumers, including intermediate care facilities for persons with~~  
96.31 ~~developmental disabilities; and respite care provided outside the consumer's home for~~  
96.32 ~~more than four consumers at the same time at a single site.;~~

96.33 (1) the following services funded by home and community-based disability waivers:

96.34 (i) residential-based supports and habilitation;

96.35 (ii) adult day supports and habilitation;

- 97.1 (iii) crisis respite; and  
 97.2 (iv) supported employment;  
 97.3 (2) residential services for persons with developmental disabilities, including  
 97.4 ICF's/MR and supervised living facilities that serve more than four persons;  
 97.5 (3) day training and habilitation for adults with developmental disabilities; and  
 97.6 (4) semi-independent living services for adults with developmental disabilities.

97.7 Sec. 10. Minnesota Statutes 2006, section 245B.03, subdivision 2, is amended to read:

97.8 Subd. 2. **Relationship to other standards governing services at ICF's/MR.**

97.9 (a) ICF's/MR are exempt from:

97.10 (1) section 245B.04;

97.11 (2) section 245B.06, subdivisions 4 and 6; and

97.12 (3) section 245B.07, subdivisions 4, paragraphs (b) and (c); 7; and 8, paragraphs

97.13 (1), clause (iv), and (2).

97.14 (b) License holders also licensed under chapter 144 as a supervised living facility  
 97.15 are exempt from section 245B.04.

97.16 (c) Residential service sites controlled by license holders licensed under this chapter  
 97.17 for home and community-based waived services for four or fewer adults are exempt  
 97.18 from compliance with Minnesota Rules, parts 9543.0040, subpart 2, item C; 9555.5505;  
 97.19 9555.5515, items B and G; 9555.5605; 9555.5705; 9555.6125, subparts 3, item C, subitem  
 97.20 (2), and 4 to 6; 9555.6185; 9555.6225, subpart 8; 9555.6245; 9555.6255; and 9555.6265;  
 97.21 and as provided under section 245B.06, subdivision 2, the license holder is exempt from  
 97.22 the program abuse prevention plans and individual abuse prevention plans otherwise  
 97.23 required under sections 245A.65, subdivision 2, and 626.557, subdivision 14. The  
 97.24 commissioner may approve alternative methods of providing overnight supervision using  
 97.25 the process and criteria for granting a variance in section 245A.04, subdivision 9. This  
 97.26 chapter does not apply to foster care homes that do not provide residential ~~habilitation~~  
 97.27 services funded under the home and community-based disability waiver programs defined  
 97.28 ~~in section 256B.092.~~

97.29 (d) Residential service sites controlled by license holders licensed under this chapter  
 97.30 for home and community-based waived services for four or fewer children are exempt  
 97.31 from compliance with Minnesota Rules, parts 2960.3060, subpart 3, items B and C;  
 97.32 2960.3070; 2960.3100, subpart 1, items C, F, and I; and 2960.3210.

97.33 (e) Effective January 1, 2008, license holders who control both a freestanding adult  
 97.34 day care center licensed under Minnesota Rules, parts 9555.9600 to 9555.9730, and a  
 97.35 facility-based day training and habilitation program licensed under chapter 245B, at the

98.1 same location, are subject only to the licensure requirements under chapter 245B as an  
 98.2 adult day habilitation and support service provider. Other adult day care providers,  
 98.3 including hospitals, nursing homes, medical clinics, family homes, and freestanding  
 98.4 centers that are not colocated or controlled by the same license holder as a facility-based  
 98.5 day training and habilitation provider licensed under chapter 245B, are exempt from  
 98.6 licensure requirements under chapter 245B.

98.7 ~~(e)~~ (f) The commissioner may exempt license holders from applicable standards  
 98.8 of this chapter when the license holder meets the standards under section 245A.09,  
 98.9 subdivision 7. License holders that are accredited by an independent accreditation body  
 98.10 shall continue to be licensed under this chapter.

98.11 ~~(f)~~ (g) License holders governed by sections 245B.02 to 245B.07 must also meet the  
 98.12 licensure requirements in chapter 245A.

98.13 ~~(g)~~ (h) Nothing in this chapter prohibits license holders from concurrently serving  
 98.14 other consumers with and without developmental disabilities provided this chapter's  
 98.15 standards are met as well as other relevant standards.

98.16 ~~(h)~~ (i) The documentation that sections 245B.02 to 245B.07 require of the license  
 98.17 holder meets the individual program plan required in section 256B.092 or successor  
 98.18 provisions.

98.19 (j) The commissioner may approve alternative methods of meeting requirements  
 98.20 under section 245B.07, subdivisions 4 to 9, for home and community-based disability  
 98.21 waiver services programs that become subject to the licensing standards of this chapter  
 98.22 on January 1, 2008, using the process and criteria for granting a variance in section  
 98.23 245A.04, subdivision 9.

98.24 Sec. 11. Minnesota Statutes 2006, section 245B.05, subdivision 2, is amended to read:

98.25 Subd. 2. **Licensed capacity for facility-based adult day training supports and**  
 98.26 **habilitation services.** The licensed capacity of each adult day training supports and  
 98.27 habilitation service site must be determined by the amount of primary space available, the  
 98.28 scheduling of activities at other service sites, and the space requirements of consumers  
 98.29 receiving services at the site. Primary space does not include hallways, stairways, closets,  
 98.30 utility areas, bathrooms, kitchens, and floor areas beneath stationary equipment. A  
 98.31 facility-based ~~day training and habilitation~~ site must have a minimum of 40 square feet  
 98.32 of primary space available for each consumer who is present at the site at any one time.  
 98.33 Licensed capacity under this subdivision does not apply to: (1) consumers receiving  
 98.34 community-based day ~~training and habilitation~~ services; and (2) the temporary use of a  
 98.35 facility-based ~~training and habilitation~~ service site for the limited purpose of providing

99.1 transportation to consumers receiving community-based day ~~training and habilitation~~  
 99.2 services from the license holder. The license holder must comply at all times with all  
 99.3 applicable fire and safety codes under subdivision 4 ~~and adequate supervision requirements~~  
 99.4 ~~under section 245B.055~~ for all persons receiving day ~~training and habilitation~~ services.

99.5 Sec. 12. Minnesota Statutes 2006, section 245B.055, subdivision 1, is amended to read:

99.6 Subdivision 1. **Scope.** This section applies only to license holders that provide  
 99.7 day training and habilitation services to people with developmental disabilities under  
 99.8 sections 252.40 to 252.46.

99.9 Sec. 13. Minnesota Statutes 2006, section 245B.06, subdivision 7, is amended to read:

99.10 Subd. 7. **Staffing requirements.** The license holder must provide supervision  
 99.11 to ensure the health, safety, and protection of rights of each consumer and to be able  
 99.12 to implement each consumer's individual service plan. Day training and habilitation  
 99.13 programs for people with developmental disabilities must meet the minimum staffing  
 99.14 requirements as specified in sections 252.40 to 252.46 and rules ~~promulgated~~ adopted  
 99.15 under those sections.

99.16 Sec. 14. Minnesota Statutes 2006, section 245B.06, subdivision 9, is amended to read:

99.17 Subd. 9. **Day training and habilitation service days.** Day training and habilitation  
 99.18 services for people with developmental disabilities must meet a minimum of 195 available  
 99.19 service days.

99.20 Sec. 15. Minnesota Statutes 2006, section 245B.06, subdivision 10, is amended to read:

99.21 Subd. 10. **Prohibition.** Psychotropic medication and the use of restraints and  
 99.22 restrictive interventions, including the use of aversive and deprivation procedures, as  
 99.23 referenced in section 245.825 and rules promulgated under that section, cannot be used as  
 99.24 a substitute for adequate staffing, as punishment, or for staff convenience.

99.25 Sec. 16. Minnesota Statutes 2006, section 245B.06, is amended by adding a  
 99.26 subdivision to read:

99.27 Subd. 11. **Use of restraints and restrictive interventions.** License holders shall  
 99.28 follow the restraints and restrictive interventions standards if implementing restraint or  
 99.29 restrictive interventions for nondevelopmentally disabled consumers who are not protected  
 99.30 under the standards in section 245.825 and rules promulgated under that section.

100.1 Sec. 17. Minnesota Statutes 2006, section 245B.07, subdivision 4, is amended to read:

100.2 Subd. 4. **Staff qualifications.** (a) The license holder must ensure that staff is  
 100.3 competent through training, experience, and education to meet the consumer's needs and  
 100.4 additional requirements as written in the individual service plan. Staff qualifications  
 100.5 must be documented. Staff under 18 years of age may not perform overnight duties or  
 100.6 administer medication.

100.7 (b) Delivery and evaluation of services provided by the license holder to a consumer  
 100.8 must be coordinated by a designated person. The designated person or coordinator must  
 100.9 minimally have a four-year degree in a field related to service provision, and one year of  
 100.10 work experience with consumers with ~~developmental~~ disabilities, a two-year degree in a  
 100.11 field related to service provision, and two years of work experience with consumers with  
 100.12 ~~developmental~~ disabilities, or a diploma in community-based ~~developmental~~ disability  
 100.13 services from an accredited postsecondary institution and two years of work experience  
 100.14 with consumers with ~~developmental~~ disabilities; or two years of work experience with  
 100.15 consumers with disabilities that at a minimum includes:

100.16 (1) duties and responsibilities for analysis of individual consumer assessments;

100.17 (2) development, implementation, and evaluation of individual consumer objectives,  
 100.18 supports, and methodologies; and

100.19 (3) review and analysis of individual consumer progress.

100.20 The designated coordinator must provide supervision, support, and evaluation of activities  
 100.21 that include:

100.22 (1) oversight of the license holder's responsibilities designated in the individual  
 100.23 service plan;

100.24 (2) instruction and assistance to staff implementing the individual service plan areas;

100.25 (3) evaluation of the effectiveness of service delivery, methodologies, and progress  
 100.26 on consumer outcomes based on the condition set for objective change; and

100.27 (4) review of incident and emergency reports, identification of incident patterns, and  
 100.28 implementation of corrective action as necessary to reduce occurrences.

100.29 (c) The designated coordinator is responsible for taking the action necessary to  
 100.30 facilitate the accomplishment of the outcomes for each consumer as specified in the  
 100.31 consumer's individual service plan.

100.32 (d) The license holder must provide for adequate supervision of direct care staff to  
 100.33 ensure implementation of the individual service plan.

100.34 Sec. 18. Minnesota Statutes 2006, section 245B.07, subdivision 8, is amended to read:

101.1 Subd. 8. **Policies and procedures.** The license holder must develop and implement  
101.2 the policies and procedures in paragraphs (1) to (3).

101.3 (1) Policies and procedures that promote consumer health and safety by ensuring:

101.4 (i) consumer safety in emergency situations;

101.5 (ii) consumer health through sanitary practices;

101.6 (iii) safe transportation, when the license holder is responsible for transportation of  
101.7 consumers, with provisions for handling emergency situations;

101.8 (iv) a system of record keeping for both individuals and the organization, for review  
101.9 of incidents and emergencies, and corrective action if needed;

101.10 (v) a plan for responding to all incidents, as defined in section 245B.02, subdivision  
101.11 10, and reporting all incidents required to be reported under section 245B.05, subdivision  
101.12 7;

101.13 (vi) safe medication administration as identified in section 245B.05, subdivision 5,  
101.14 incorporating an observed skill assessment to ensure that staff demonstrate the ability to  
101.15 administer medications consistent with the license holder's policy and procedures;

101.16 (vii) psychotropic medication monitoring when the consumer is prescribed a  
101.17 psychotropic medication, including the use of the psychotropic medication use checklist  
101.18 provided by the commissioner. If the responsibility for implementing the psychotropic  
101.19 medication use checklist has not been assigned in the individual service plan and the  
101.20 consumer lives in a licensed site, the residential license holder shall be designated; and

101.21 (viii) criteria for admission or service initiation developed by the license holder.

101.22 (2) Policies and procedures that protect consumer rights and privacy by ensuring:

101.23 (i) consumer data privacy, in compliance with the Minnesota Data Practices Act,  
101.24 chapter 13; and

101.25 (ii) that complaint procedures provide consumers with a simple process to bring  
101.26 grievances and consumers receive a response to the grievance within a reasonable time  
101.27 period. The license holder must provide a copy of the program's grievance procedure and  
101.28 time lines for addressing grievances. The program's grievance procedure must permit  
101.29 consumers served by the program and the authorized representatives to bring a grievance  
101.30 to the highest level of authority in the program.

101.31 (3) Policies and procedures that promote continuity and quality of consumer  
101.32 supports by ensuring:

101.33 (i) continuity of care and service coordination, including provisions for service  
101.34 termination, temporary service suspension, and efforts made by the license holder to  
101.35 coordinate services with other vendors who also provide support to the consumer. The  
101.36 policy must include the following requirements:

102.1 (A) the license holder must notify the consumer or consumer's legal representative  
 102.2 and the consumer's case manager in writing of the intended termination or temporary  
 102.3 service suspension and the consumer's right to seek a temporary order staying the  
 102.4 termination or suspension of service according to the procedures in section 256.045,  
 102.5 subdivision 4a or subdivision 6, paragraph (c);

102.6 (B) notice of the proposed termination of services, including those situations that  
 102.7 began with a temporary service suspension, must be given at least 60 days before the  
 102.8 proposed termination is to become effective;

102.9 (C) the license holder must provide information requested by the consumer or  
 102.10 consumer's legal representative or case manager when services are temporarily suspended  
 102.11 or upon notice of termination;

102.12 (D) use of temporary service suspension procedures are restricted to situations in  
 102.13 which the consumer's behavior causes immediate and serious danger to the health and  
 102.14 safety of the individual or others;

102.15 (E) prior to giving notice of service termination or temporary service suspension, the  
 102.16 license holder must document actions taken to minimize or eliminate the need for service  
 102.17 termination or temporary service suspension; and

102.18 (F) during the period of temporary service suspension, the license holder will work  
 102.19 with the appropriate county agency to develop reasonable alternatives to protect the  
 102.20 individual and others; and

102.21 (ii) quality services measured through a program evaluation process including  
 102.22 regular evaluations of consumer satisfaction and sharing the results of the evaluations with  
 102.23 the consumers and legal representatives.

102.24 Sec. 19. Minnesota Statutes 2006, section 252.32, subdivision 3, is amended to read:

102.25 Subd. 3. **Amount of support grant; use.** Support grant amounts shall be  
 102.26 determined by the county social service agency. Services and items purchased with a  
 102.27 support grant must:

102.28 (1) be over and above the normal costs of caring for the dependent if the dependent  
 102.29 did not have a disability;

102.30 (2) be directly attributable to the dependent's disabling condition; and

102.31 (3) enable the family to delay or prevent the out-of-home placement of the dependent.

102.32 The design and delivery of services and items purchased under this section must suit  
 102.33 the dependent's chronological age and be provided in the least restrictive environment  
 102.34 possible, consistent with the needs identified in the individual service plan.

103.1 Items and services purchased with support grants must be those for which there  
 103.2 are no other public or private funds available to the family. Fees assessed to parents  
 103.3 for health or human services that are funded by federal, state, or county dollars are not  
 103.4 reimbursable through this program.

103.5 In approving or denying applications, the county shall consider the following factors:

- 103.6 (1) the extent and areas of the functional limitations of the disabled child;  
 103.7 (2) the degree of need in the home environment for additional support; and  
 103.8 (3) the potential effectiveness of the grant to maintain and support the person in  
 103.9 the family environment.

103.10 The maximum monthly grant amount shall be \$250 per eligible dependent, or  
 103.11 \$3,000 per eligible dependent per state fiscal year, within the limits of available funds and  
 103.12 as adjusted by any legislatively authorized cost of living adjustment. The county social  
 103.13 service agency may consider the dependent's supplemental security income in determining  
 103.14 the amount of the support grant.

103.15 Any adjustments to their monthly grant amount must be based on the needs of the  
 103.16 family and funding availability.

103.17 Sec. 20. Minnesota Statutes 2006, section 256.975, subdivision 7, is amended to read:

103.18 Subd. 7. **Consumer information and assistance; senior linkage.** (a) The  
 103.19 Minnesota Board on Aging shall operate a statewide information and assistance service  
 103.20 to aid older Minnesotans and their families in making informed choices about long-term  
 103.21 care options and health care benefits. Language services to persons with limited English  
 103.22 language skills may be made available. The service, known as Senior LinkAge Line, must  
 103.23 be available during business hours through a statewide toll-free number and must also  
 103.24 be available through the Internet.

103.25 (b) The service must assist older adults, caregivers, and providers in accessing  
 103.26 information about choices in long-term care services that are purchased through private  
 103.27 providers or available through public options. The service must:

- 103.28 (1) develop a comprehensive database that includes detailed listings in both  
 103.29 consumer- and provider-oriented formats;  
 103.30 (2) make the database accessible on the Internet and through other telecommunication  
 103.31 and media-related tools;  
 103.32 (3) link callers to interactive long-term care screening tools and make these tools  
 103.33 available through the Internet by integrating the tools with the database;  
 103.34 (4) develop community education materials with a focus on planning for long-term  
 103.35 care and evaluating independent living, housing, and service options;

104.1 (5) conduct an outreach campaign to assist older adults and their caregivers in  
104.2 finding information on the Internet and through other means of communication;

104.3 (6) implement a messaging system for overflow callers and respond to these callers  
104.4 by the next business day;

104.5 (7) link callers with county human services and other providers to receive more  
104.6 in-depth assistance and consultation related to long-term care options; ~~and~~

104.7 (8) link callers with quality profiles for nursing facilities and other providers  
104.8 developed by the commissioner of health; and

104.9 (9) incorporate information about housing with services and consumer rights  
104.10 within the MinnesotaHelp.info network long-term care database to facilitate consumer  
104.11 comparison of services and costs among housing with services establishments and with  
104.12 other in-home services and to support financial self-sufficiency as long as possible.  
104.13 Housing with services establishments and their arranged home care providers shall provide  
104.14 information to the commissioner of human services including delineation of charges for  
104.15 housing, meals, supportive services, adapted daily living services, and health-related  
104.16 services. The commissioner of human services and the commissioner of health shall  
104.17 align data elements required by section 144G.06, the Uniform Consumer Information  
104.18 Guide, and this section, to the extent possible. The commissioner of human services shall  
104.19 provide the data to the Minnesota Board on Aging for inclusion in the MinnesotaHelp.info  
104.20 network long-term care database.

104.21 (c) The Minnesota Board on Aging shall conduct an evaluation of the effectiveness  
104.22 of the statewide information and assistance, and submit this evaluation to the legislature  
104.23 by December 1, 2002. The evaluation must include an analysis of funding adequacy, gaps  
104.24 in service delivery, continuity in information between the service and identified linkages,  
104.25 and potential use of private funding to enhance the service.

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

104.27 Sec. 21. Minnesota Statutes 2006, section 256B.0625, subdivision 18a, is amended to  
104.28 read:

104.29 Subd. 18a. **Access to medical services.** (a) Medical assistance reimbursement for  
104.30 meals for persons traveling to receive medical care may not exceed \$5.50 for breakfast,  
104.31 \$6.50 for lunch, or \$8 for dinner.

104.32 (b) Medical assistance reimbursement for lodging for persons traveling to receive  
104.33 medical care may not exceed \$50 per day unless prior authorized by the local agency.

104.34 (c) Medical assistance direct mileage reimbursement to the eligible person or the  
104.35 eligible person's driver may not exceed 20 cents per mile.

105.1 (d) Regardless of the number of employees that an enrolled health care provider  
105.2 may have, medical assistance covers sign and oral language interpreter services when  
105.3 provided by an enrolled health care provider during the course of providing a direct,  
105.4 person-to-person covered health care service to an enrolled recipient with limited English  
105.5 proficiency or who has a hearing loss and uses interpreting services.

105.6 Sec. 22. Minnesota Statutes 2006, section 256B.0911, is amended by adding a  
105.7 subdivision to read:

105.8 Subd. 3c. **Transition to housing with services.** (a) Transitional consultation is  
105.9 required of all prospective residents 65 years of age or older regardless of income, assets,  
105.10 or funding sources before housing with services establishments offering or providing  
105.11 assisted living execute a lease or contract with the prospective resident. The purpose of  
105.12 transitional long-term care consultation is to support persons with current or anticipated  
105.13 long-term care needs in making informed choices among options that include the most  
105.14 cost-effective and least restrictive settings, and to delay spenddown to eligibility for  
105.15 publicly funded programs by connecting people to alternative services in their homes  
105.16 before transition to housing with services.

105.17 (b) Transitional consultation services are provided as determined by the  
105.18 commissioner of human services in partnership with county long-term care consultation  
105.19 units, and the Area Agencies on Aging, and are a combination of telephone-based and  
105.20 in-person assistance provided under models developed by the commissioner. Transitional  
105.21 consultation must be provided within five working days of the request of the prospective  
105.22 resident as follows:

105.23 (1) the consultation must be provided by a qualified professional as determined by  
105.24 the commissioner;

105.25 (2) the consultation must include a review of the prospective resident's reasons for  
105.26 considering assisted living, the prospective resident's personal goals, a discussion of the  
105.27 prospective resident's immediate and projected long-term care needs, and alternative  
105.28 community services or assisted living settings that may meet the prospective resident's  
105.29 needs; and

105.30 (3) the prospective resident will be informed of the availability of long term care  
105.31 consultation services described in subdivision 3a that are available at no charge to the  
105.32 prospective resident to assist the prospective resident in assessment and planning to meet  
105.33 the prospective resident's long-term care needs.

105.34 **EFFECTIVE DATE.** This section is effective October 1, 2008.

106.1 Sec. 23. Minnesota Statutes 2006, section 256B.0915, is amended by adding a  
106.2 subdivision to read:

106.3 Subd. 3h. **Service rate limits; 24-hour customized living services.** The payment  
106.4 rates for 24-hour customized living services is a monthly rate negotiated and authorized by  
106.5 the lead agency within the parameters established by the commissioner of human services.  
106.6 The payment agreement must delineate the services that have been customized for each  
106.7 recipient and specify the amount of each service to be provided. The lead agency shall  
106.8 ensure that there is a documented need for all services authorized. The lead agency shall  
106.9 not authorize 24-hour customized living services unless there is a documented need for  
106.10 24-hour supervision. For purposes of this section, "24-hour supervision" means that the  
106.11 recipient requires assistance due to needs related to one or more of the following:

106.12 (1) intermittent assistance with toileting or transferring;

106.13 (2) cognitive or behavioral issues;

106.14 (3) a medical condition that requires clinical monitoring; or

106.15 (4) other conditions or needs as defined by the commissioner of human services.

106.16 The lead agency shall ensure that the frequency and mode of supervision of the recipient  
106.17 and the qualifications of staff providing supervision are described and meet the needs  
106.18 of the recipient. Customized living services must not include rent or raw food costs.  
106.19 The negotiated payment rate for 24-hour customized living services must be based on  
106.20 services to be provided. Negotiated rates must not exceed payment rates for comparable  
106.21 elderly waiver or medical assistance services and must reflect economies of scale. The  
106.22 individually negotiated 24-hour customized living payments, in combination with the  
106.23 payment for other elderly waiver services, including case management, must not exceed  
106.24 the recipient's community budget cap specified in subdivision 3a.

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

106.26 Sec. 24. Minnesota Statutes 2006, section 256B.434, is amended by adding a  
106.27 subdivision to read:

106.28 Subd. 19. **Nursing facility rate increases beginning October 1, 2007, and**  
106.29 **October 1, 2008.** For the rate year beginning October 1, 2007, the commissioner shall  
106.30 make available to each nursing facility reimbursed under this section operating payment  
106.31 rate adjustments of up to 1.5 percent of the operating payment rates in effect on September  
106.32 30, 2007. For the rate year beginning October 1, 2008, the commissioner shall make  
106.33 available to each nursing facility reimbursed under this section operating payment rate  
106.34 adjustments of up to 1.5 percent of the operating payment rates in effect on September  
106.35 30, 2008.

107.1 Sec. 25. Minnesota Statutes 2006, section 256B.439, subdivision 1, is amended to read:

107.2 Subdivision 1. **Development and implementation of quality profiles.** (a) The  
107.3 commissioner of human services, in cooperation with the commissioner of health, shall  
107.4 develop and implement a quality profile system for nursing facilities and, beginning not  
107.5 later than July 1, 2004, other providers of long-term care services, except when the quality  
107.6 profile system would duplicate requirements under section 256B.5011, 256B.5012, or  
107.7 256B.5013. Beginning July 1, 2008, the commissioners shall include quality profiles of  
107.8 nursing homes that are not medical assistance certified in the Minnesota Nursing Home  
107.9 Report Card. The nonmedical assistance certified nursing homes may provide to the  
107.10 commissioners information necessary to conduct consumer satisfaction surveys and to  
107.11 determine other quality measures. The system must be developed and implemented to the  
107.12 extent possible without the collection of significant amounts of new data. To the extent  
107.13 possible, the system must incorporate or be coordinated with information on quality  
107.14 maintained by area agencies on aging, long-term care trade associations, and other entities.  
107.15 The system must be designed to provide information on quality to:

107.16 (1) consumers and their families to facilitate informed choices of service providers;

107.17 (2) providers to enable them to measure the results of their quality improvement  
107.18 efforts and compare quality achievements with other service providers; and

107.19 (3) public and private purchasers of long-term care services to enable them to  
107.20 purchase high-quality care.

107.21 (b) The system must be developed in consultation with the long-term care task force,  
107.22 area agencies on aging, and representatives of consumers, providers, and labor unions.

107.23 Within the limits of available appropriations, the commissioners may employ consultants  
107.24 to assist with this project.

107.25 Sec. 26. Minnesota Statutes 2006, section 256B.441, is amended by adding a  
107.26 subdivision to read:

107.27 Subd. 46a. **Calculation of quality add-on for October 1, 2007, and October 1,**  
107.28 **2008.** (a) The payment rate for rate years beginning October 1, 2007, and October 1,  
107.29 2008, for the quality add-on, is a variable amount based on each facility's quality score.  
107.30 For each rate year, the maximum quality add-on is 1.2 percent of the operating payment  
107.31 rate in effect on the prior September 30. The commissioner shall determine the quality  
107.32 add-on for each facility according to paragraphs (b) to (d).

107.33 (b) For each facility, the commissioner shall determine the operating payment rate in  
107.34 effect on September 30, 2007, and for September 30, 2008.

108.1 (c) For each facility, the commissioner shall determine a ratio of the quality score of  
 108.2 the facility determined in subdivision 44, subtract 40, and then divide by 60. If this value  
 108.3 is less than zero, the commissioner shall use the value zero.

108.4 (d) For each facility, the quality add-on is the value determined in paragraph (b),  
 108.5 multiplied by the value determined in paragraph (c), multiplied by 1.2 percent.

108.6 Sec. 27. Minnesota Statutes 2006, section 256B.5012, is amended by adding a  
 108.7 subdivision to read:

108.8 Subd. 7. **ICF/MR rate increases beginning October 1, 2007, and July 1, 2008.**

108.9 For the rate year beginning October 1, 2007, the commissioner shall make available to  
 108.10 each intermediate care facility for persons with developmental disability and related  
 108.11 condition (ICF/MR) reimbursed under this section an operating payment rate adjustment  
 108.12 of up to two percent of the operating payment rates in effect on September 30, 2007.

108.13 For the rate year beginning July 1, 2008, the commissioner shall make available to each  
 108.14 ICF/MR reimbursed under this section an operating payment rate adjustment of up to two  
 108.15 percent of the operating payment rates in effect on June 30, 2008.

108.16 Sec. 28. **[256C.261] SERVICES FOR DEAF-BLIND PERSONS.**

108.17 (a) The commissioner of human services shall combine the existing biennial base  
 108.18 level funding for deaf-blind services into a single grant program. At least 35 percent  
 108.19 of the total funding is awarded for services and other supports to deaf-blind children  
 108.20 and their families and at least 25 percent is awarded for services and other supports to  
 108.21 deaf-blind adults.

108.22 The commissioner shall award grants for the purposes of:

108.23 (1) providing services and supports to individuals who are deaf-blind; and

108.24 (2) developing and providing training to counties and the network of senior citizen  
 108.25 service providers. The purpose of the training grants is to teach counties how to use  
 108.26 existing programs that capture federal financial participation to meet the needs of eligible  
 108.27 deaf-blind persons and to build capacity of senior service programs to meet the needs of  
 108.28 seniors with a dual sensory hearing and vision loss.

108.29 (b) The commissioner may make grants:

108.30 (1) for services and training provided by organizations; and

108.31 (2) to develop and administer consumer-directed services.

108.32 (c) Any entity that is able to satisfy the grant criteria is eligible to receive a grant  
 108.33 under paragraph (a).

109.1 (d) Deaf-blind service providers are not required to, but may, provide intervenor  
 109.2 services as part of the service package provided with grant funds under this section.

109.3 Sec. 29. Minnesota Statutes 2006, section 256D.03, subdivision 4, is amended to read:

109.4 Subd. 4. **General assistance medical care; services.** (a)(i) For a person who is  
 109.5 eligible under subdivision 3, paragraph (a), clause (2), item (i), general assistance medical  
 109.6 care covers, except as provided in paragraph (c):

109.7 (1) inpatient hospital services;

109.8 (2) outpatient hospital services;

109.9 (3) services provided by Medicare certified rehabilitation agencies;

109.10 (4) prescription drugs and other products recommended through the process

109.11 established in section 256B.0625, subdivision 13;

109.12 (5) equipment necessary to administer insulin and diagnostic supplies and equipment  
 109.13 for diabetics to monitor blood sugar level;

109.14 (6) eyeglasses and eye examinations provided by a physician or optometrist;

109.15 (7) hearing aids;

109.16 (8) prosthetic devices;

109.17 (9) laboratory and X-ray services;

109.18 (10) physician's services;

109.19 (11) medical transportation except special transportation;

109.20 (12) chiropractic services as covered under the medical assistance program;

109.21 (13) podiatric services;

109.22 (14) dental services as covered under the medical assistance program;

109.23 (15) outpatient services provided by a mental health center or clinic that is under  
 109.24 contract with the county board and is established under section 245.62;

109.25 (16) day treatment services for mental illness provided under contract with the  
 109.26 county board;

109.27 (17) prescribed medications for persons who have been diagnosed as mentally ill as  
 109.28 necessary to prevent more restrictive institutionalization;

109.29 (18) psychological services, medical supplies and equipment, and Medicare  
 109.30 premiums, coinsurance and deductible payments;

109.31 (19) medical equipment not specifically listed in this paragraph when the use of  
 109.32 the equipment will prevent the need for costlier services that are reimbursable under  
 109.33 this subdivision;

109.34 (20) services performed by a certified pediatric nurse practitioner, a certified family  
 109.35 nurse practitioner, a certified adult nurse practitioner, a certified obstetric/gynecological

110.1 nurse practitioner, a certified neonatal nurse practitioner, or a certified geriatric nurse  
 110.2 practitioner in independent practice, if (1) the service is otherwise covered under this  
 110.3 chapter as a physician service, (2) the service provided on an inpatient basis is not included  
 110.4 as part of the cost for inpatient services included in the operating payment rate, and (3) the  
 110.5 service is within the scope of practice of the nurse practitioner's license as a registered  
 110.6 nurse, as defined in section 148.171;

110.7 (21) services of a certified public health nurse or a registered nurse practicing in  
 110.8 a public health nursing clinic that is a department of, or that operates under the direct  
 110.9 authority of, a unit of government, if the service is within the scope of practice of the  
 110.10 public health nurse's license as a registered nurse, as defined in section 148.171;

110.11 (22) telemedicine consultations, to the extent they are covered under section  
 110.12 256B.0625, subdivision 3b; ~~and~~

110.13 (23) mental health telemedicine and psychiatric consultation as covered under  
 110.14 section 256B.0625, subdivisions 46 and 48; and

110.15 (24) regardless of the number of employees that an enrolled health care provider  
 110.16 may have, sign language interpreter services when provided by an enrolled health care  
 110.17 provider during the course of providing a direct, person-to-person covered health care  
 110.18 service to an enrolled recipient who has a hearing loss and uses interpreting services.

110.19 (ii) Effective October 1, 2003, for a person who is eligible under subdivision 3,  
 110.20 paragraph (a), clause (2), item (ii), general assistance medical care coverage is limited  
 110.21 to inpatient hospital services, including physician services provided during the inpatient  
 110.22 hospital stay. A \$1,000 deductible is required for each inpatient hospitalization.

110.23 (b) Effective August 1, 2005, sex reassignment surgery is not covered under this  
 110.24 subdivision.

110.25 (c) In order to contain costs, the commissioner of human services shall select  
 110.26 vendors of medical care who can provide the most economical care consistent with high  
 110.27 medical standards and shall where possible contract with organizations on a prepaid  
 110.28 capitation basis to provide these services. The commissioner shall consider proposals by  
 110.29 counties and vendors for prepaid health plans, competitive bidding programs, block grants,  
 110.30 or other vendor payment mechanisms designed to provide services in an economical  
 110.31 manner or to control utilization, with safeguards to ensure that necessary services are  
 110.32 provided. Before implementing prepaid programs in counties with a county operated or  
 110.33 affiliated public teaching hospital or a hospital or clinic operated by the University of  
 110.34 Minnesota, the commissioner shall consider the risks the prepaid program creates for the  
 110.35 hospital and allow the county or hospital the opportunity to participate in the program in a  
 110.36 manner that reflects the risk of adverse selection and the nature of the patients served by

111.1 the hospital, provided the terms of participation in the program are competitive with the  
111.2 terms of other participants considering the nature of the population served. Payment for  
111.3 services provided pursuant to this subdivision shall be as provided to medical assistance  
111.4 vendors of these services under sections 256B.02, subdivision 8, and 256B.0625. For  
111.5 payments made during fiscal year 1990 and later years, the commissioner shall consult  
111.6 with an independent actuary in establishing prepayment rates, but shall retain final control  
111.7 over the rate methodology.

111.8 (d) Recipients eligible under subdivision 3, paragraph (a), shall pay the following  
111.9 co-payments for services provided on or after October 1, 2003:

111.10 (1) \$25 for eyeglasses;

111.11 (2) \$25 for nonemergency visits to a hospital-based emergency room;

111.12 (3) \$3 per brand-name drug prescription and \$1 per generic drug prescription,  
111.13 subject to a \$12 per month maximum for prescription drug co-payments. No co-payments  
111.14 shall apply to antipsychotic drugs when used for the treatment of mental illness; and

111.15 (4) 50 percent coinsurance on restorative dental services.

111.16 (e) Co-payments shall be limited to one per day per provider for nonpreventive visits,  
111.17 eyeglasses, and nonemergency visits to a hospital-based emergency room. Recipients of  
111.18 general assistance medical care are responsible for all co-payments in this subdivision.  
111.19 The general assistance medical care reimbursement to the provider shall be reduced by  
111.20 the amount of the co-payment, except that reimbursement for prescription drugs shall not  
111.21 be reduced once a recipient has reached the \$12 per month maximum for prescription  
111.22 drug co-payments. The provider collects the co-payment from the recipient. Providers  
111.23 may not deny services to recipients who are unable to pay the co-payment, except as  
111.24 provided in paragraph (f).

111.25 (f) If it is the routine business practice of a provider to refuse service to an individual  
111.26 with uncollected debt, the provider may include uncollected co-payments under this  
111.27 section. A provider must give advance notice to a recipient with uncollected debt before  
111.28 services can be denied.

111.29 (g) Any county may, from its own resources, provide medical payments for which  
111.30 state payments are not made.

111.31 (h) Chemical dependency services that are reimbursed under chapter 254B must not  
111.32 be reimbursed under general assistance medical care.

111.33 (i) The maximum payment for new vendors enrolled in the general assistance  
111.34 medical care program after the base year shall be determined from the average usual and  
111.35 customary charge of the same vendor type enrolled in the base year.

112.1 (j) The conditions of payment for services under this subdivision are the same as the  
 112.2 conditions specified in rules adopted under chapter 256B governing the medical assistance  
 112.3 program, unless otherwise provided by statute or rule.

112.4 (k) Inpatient and outpatient payments shall be reduced by five percent, effective July  
 112.5 1, 2003. This reduction is in addition to the five percent reduction effective July 1, 2003,  
 112.6 and incorporated by reference in paragraph (i).

112.7 (l) Payments for all other health services except inpatient, outpatient, and pharmacy  
 112.8 services shall be reduced by five percent, effective July 1, 2003.

112.9 (m) Payments to managed care plans shall be reduced by five percent for services  
 112.10 provided on or after October 1, 2003.

112.11 (n) A hospital receiving a reduced payment as a result of this section may apply the  
 112.12 unpaid balance toward satisfaction of the hospital's bad debts.

112.13 (o) Fee-for-service payments for nonpreventive visits shall be reduced by \$3  
 112.14 for services provided on or after January 1, 2006. For purposes of this subdivision, a  
 112.15 visit means an episode of service which is required because of a recipient's symptoms,  
 112.16 diagnosis, or established illness, and which is delivered in an ambulatory setting by  
 112.17 a physician or physician ancillary, chiropractor, podiatrist, advance practice nurse,  
 112.18 audiologist, optician, or optometrist.

112.19 (p) Payments to managed care plans shall not be increased as a result of the removal  
 112.20 of the \$3 nonpreventive visit co-payment effective January 1, 2006.

112.21 Sec. 30. **HOUSING WITH SERVICES AND HOME CARE PROVIDERS**  
 112.22 **STUDY; REPORT.**

112.23 The commissioner of human services shall conduct a study of housing with  
 112.24 services establishments and their arranged home care providers to assess the impact that  
 112.25 residents' spending down to eligibility for public programs has on public expenditures.  
 112.26 The preliminary results of this study shall be reported to the house and senate committees  
 112.27 with jurisdiction over health and human services policy and finance issues by February  
 112.28 15, 2008, with a final report completed by December 15, 2008. Housing with services  
 112.29 establishments and home care providers shall provide information upon request of the  
 112.30 commissioner in order to achieve study outcomes, including:

112.31 (1) length of stay of residents in the housing with services establishment;

112.32 (2) housing and services provided and related charges, payments, and payment  
 112.33 sources;

112.34 (3) housing and services included in base rates charged to all residents;

112.35 (4) reasons for termination of services;

- 113.1 (5) reasons for termination of leases;  
 113.2 (6) copies of contracts, agreements, and leases;  
 113.3 (7) resident demographics; and  
 113.4 (8) other information as requested by the commissioner.

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

113.6 **Sec. 31. COMMUNITY SERVICES PROVIDER RATE INCREASES.**

113.7 (a) The commissioner of human services shall increase reimbursement rates or rate  
 113.8 limits, as applicable, by two percent for the rate period beginning October 1, 2007, and the  
 113.9 rate period beginning July 1, 2008, effective for services rendered on or after those dates.

113.10 (b) The two percent annual rate increase described in this section shall be provided to:

113.11 (1) home and community-based waived services for persons with developmental  
 113.12 disabilities or related conditions under Minnesota Statutes, section 256B.501;

113.13 (2) home and community-based waived services for the elderly under Minnesota  
 113.14 Statutes, section 256B.0915;

113.15 (3) waived services under community alternatives for disabled individuals under  
 113.16 Minnesota Statutes, section 256B.49;

113.17 (4) community alternative care waived services under Minnesota Statutes, section  
 113.18 256B.49;

113.19 (5) traumatic brain injury waived services under Minnesota Statutes, section  
 113.20 256B.49;

113.21 (6) nursing services and home health services under Minnesota Statutes, section  
 113.22 256B.0625, subdivision 6a;

113.23 (7) personal care services and nursing supervision of personal care services under  
 113.24 Minnesota Statutes, section 256B.0625, subdivision 19a;

113.25 (8) private duty nursing services under Minnesota Statutes, section 256B.0625,  
 113.26 subdivision 7;

113.27 (9) day training and habilitation services for adults with developmental disabilities  
 113.28 or related conditions under Minnesota Statutes, sections 252.40 to 252.46;

113.29 (10) alternative care services under Minnesota Statutes, section 256B.0913;

113.30 (11) adult residential program grants under Minnesota Statutes, section 245.73;

113.31 (12) adult and children's mental health grants under Minnesota Rules, parts  
 113.32 9535.1700 to 9535.1760;

113.33 (13) the group residential housing supplementary service rate under Minnesota  
 113.34 Statutes, section 256I.05, subdivision 1a;

- 114.1 (14) adult mental health integrated fund grants under Minnesota Statutes, section  
 114.2 245.4661;
- 114.3 (15) semi-independent living services under Minnesota Statutes, section 252.275,  
 114.4 including semi-independent living services funding under county social services grants  
 114.5 formerly funded under Minnesota Statutes, chapter 256I;
- 114.6 (16) community support services for deaf and hard-of-hearing adults with mental  
 114.7 illness who use or wish to use sign language as their primary means of communication  
 114.8 under Minnesota Statutes, section 256.01, subdivision 2;
- 114.9 (17) living skills training programs for persons with intractable epilepsy who need  
 114.10 assistance in the transition to independent living under Laws 1988, chapter 689;
- 114.11 (18) physical therapy services under Minnesota Statutes, sections 256B.0625,  
 114.12 subdivision 8, and 256D.03, subdivision 4;
- 114.13 (19) occupational therapy services under Minnesota Statutes, sections 256B.0625,  
 114.14 subdivision 8a, and 256D.03, subdivision 4;
- 114.15 (20) speech-language therapy services under Minnesota Statutes, section 256D.03,  
 114.16 subdivision 4, and Minnesota Rules, part 9505.0390;
- 114.17 (21) respiratory therapy services under Minnesota Statutes, section 256D.03,  
 114.18 subdivision 4, and Minnesota Rules, part 9505.0295;
- 114.19 (22) aging grants under Minnesota Statutes, sections 256.975 to 256.977, 256B.0917,  
 114.20 and 256B.0928;
- 114.21 (23) deaf and hard-of-hearing grants under Minnesota Statutes, sections 256C.233;  
 114.22 256C.225; Laws 1985, chapter 9, article 1; and Laws 1997, First Special Session chapter  
 114.23 5, section 20;
- 114.24 (24) children's therapeutic services and supports under Minnesota Statutes, section  
 114.25 256B.0943;
- 114.26 (25) tier I chemical health services under Minnesota Statutes, chapter 254B;
- 114.27 (26) consumer support grants under Minnesota Statutes, section 256.476;
- 114.28 (27) family support grants under Minnesota Statutes, section 252.32;
- 114.29 (28) continuation coverage for AIDS patients under Minnesota Statutes, section  
 114.30 256.9365; and
- 114.31 (29) prepayment demonstration project under Minnesota Statutes, section 256B.69.

## ARTICLE 7

### HEALTH INSURANCE

114.32

114.33

114.34 Section 1. Minnesota Statutes 2006, section 256.01, subdivision 2b, is amended to read:

115.1 Subd. 2b. **Performance payments.** The commissioner shall develop and implement  
115.2 a pay-for-performance system to provide performance payments to medical groups that  
115.3 demonstrate optimum care in serving individuals with chronic diseases who are enrolled in  
115.4 health care programs administered by the commissioner under chapters 256B, 256D, and  
115.5 256L. The commissioner may receive any federal matching money that is made available  
115.6 through the medical assistance program for managed care oversight contracted through  
115.7 vendors including consumer surveys, studies, and external quality reviews as required  
115.8 by the Federal Balanced Budget Act of 1997, Title 42, Code of Federal Regulations, Part  
115.9 438, Subpart E. Any federal money received for managed care oversight is appropriated  
115.10 to the commissioner for this purpose. The commissioner may expend the federal money  
115.11 received in either year of the biennium.

115.12 Sec. 2. Minnesota Statutes 2006, section 256B.057, subdivision 8, is amended to read:

115.13 Subd. 8. **Children under age two.** Medical assistance may be paid for a child under  
115.14 two years of age whose countable family income is above 275 percent of the federal  
115.15 poverty guidelines for the same size family but less than or equal to ~~280~~ 305 percent of the  
115.16 federal poverty guidelines for the same size family.

115.17 **EFFECTIVE DATE.** This section is effective January 1, 2009, or upon federal  
115.18 approval, whichever is later. The commissioner of human services shall notify the Office  
115.19 of the Revisor of Statutes when federal approval is obtained.

115.20 Sec. 3. Minnesota Statutes 2006, section 256B.0625, is amended by adding a  
115.21 subdivision to read:

115.22 Subd. 49. **Physician-directed care coordination services.** The commissioner  
115.23 shall develop and implement a physician-directed care coordination program for medical  
115.24 assistance recipients who are not enrolled in the prepaid medical assistance program and  
115.25 who are receiving services on a fee-for-service basis. This program provides payment  
115.26 to primary care clinics for care coordination for people who have complex and chronic  
115.27 medical conditions. Clinics must meet certain criteria such as the capacity to develop care  
115.28 plans, have a dedicated care coordinator, have an adequate number of fee-for-service  
115.29 clients, evaluation mechanisms, and quality improvement processes to qualify for  
115.30 reimbursement.

115.31 Sec. 4. Minnesota Statutes 2006, section 256L.04, subdivision 1, is amended to read:

115.32 Subdivision 1. **Families with children.** (a) A child in a family with family income  
115.33 equal to or less than 300 percent of the federal poverty guidelines for the applicable family

116.1 size is eligible for MinnesotaCare under this section. Adults in families with children with  
 116.2 family income equal to or less than 275 percent of the federal poverty guidelines for the  
 116.3 applicable family size shall be eligible for MinnesotaCare according to this section. All  
 116.4 other provisions of sections 256L.01 to 256L.18, including the insurance-related barriers  
 116.5 to enrollment under section 256L.07, shall apply unless otherwise specified.

116.6 (b) Parents who enroll in the MinnesotaCare program must also enroll their children,  
 116.7 if the children are eligible. Children may be enrolled separately without enrollment by  
 116.8 parents. However, if one parent in the household enrolls, both parents must enroll, unless  
 116.9 other insurance is available. If one child from a family is enrolled, all children must  
 116.10 be enrolled, unless other insurance is available. If one spouse in a household enrolls,  
 116.11 the other spouse in the household must also enroll, unless other insurance is available.  
 116.12 Families cannot choose to enroll only certain uninsured members.

116.13 (c) Beginning October 1, 2003, the dependent sibling definition no longer applies  
 116.14 to the MinnesotaCare program. These persons are no longer counted in the parental  
 116.15 household and may apply as a separate household.

116.16 (d) Beginning July 1, 2003, or upon federal approval, whichever is later, parents are  
 116.17 not eligible for MinnesotaCare if their gross income exceeds \$50,000.

116.18 **EFFECTIVE DATE.** This section is effective January 1, 2009, or upon federal  
 116.19 approval, whichever is later. The commissioner of human services shall notify the Office  
 116.20 of the Revisor of Statutes when federal approval is obtained.

116.21 Sec. 5. Minnesota Statutes 2006, section 256L.06, subdivision 3, is amended to read:

116.22 Subd. 3. **Commissioner's duties and payment.** (a) Premiums are dedicated to the  
 116.23 commissioner for MinnesotaCare.

116.24 (b) The commissioner shall develop and implement procedures to: (1) require  
 116.25 enrollees to report changes in income; (2) adjust sliding scale premium payments at the  
 116.26 time of eligibility renewal, based upon both increases and decreases in enrollee income, ~~at~~  
 116.27 ~~the time the change in income is reported~~; and (3) disenroll enrollees from MinnesotaCare  
 116.28 for failure to pay required premiums. Failure to pay includes payment with a dishonored  
 116.29 check, a returned automatic bank withdrawal, or a refused credit card or debit card  
 116.30 payment. The commissioner may demand a guaranteed form of payment, including a  
 116.31 cashier's check or a money order, as the only means to replace a dishonored, returned,  
 116.32 or refused payment.

116.33 (c) Premiums are calculated on a calendar month basis and may be paid on a  
 116.34 monthly, quarterly, or semiannual basis, with the first payment due upon notice from the  
 116.35 commissioner of the premium amount required. The commissioner shall inform applicants

117.1 and enrollees of these premium payment options. Premium payment is required before  
117.2 enrollment is complete and to maintain eligibility in MinnesotaCare. Premium payments  
117.3 received before noon are credited the same day. Premium payments received after noon  
117.4 are credited on the next working day.

117.5 (d) Nonpayment of the premium will result in disenrollment from the plan effective  
117.6 for the calendar month for which the premium was due. Persons disenrolled for  
117.7 nonpayment or who voluntarily terminate coverage from the program may not reenroll  
117.8 until four calendar months have elapsed. Persons disenrolled for nonpayment who pay  
117.9 all past due premiums as well as current premiums due, including premiums due for the  
117.10 period of disenrollment, within 20 days of disenrollment, shall be reenrolled retroactively  
117.11 to the first day of disenrollment. Persons disenrolled for nonpayment or who voluntarily  
117.12 terminate coverage from the program may not reenroll for four calendar months unless  
117.13 the person demonstrates good cause for nonpayment. Good cause does not exist if a  
117.14 person chooses to pay other family expenses instead of the premium. The commissioner  
117.15 shall define good cause in rule.

117.16 **EFFECTIVE DATE.** This section is effective January 1, 2009, or upon federal  
117.17 approval, whichever is later. The commissioner shall notify the Office of the Revisor of  
117.18 Statutes when federal approval is obtained.

117.19 Sec. 6. Minnesota Statutes 2006, section 256L.15, subdivision 2, is amended to read:

117.20 Subd. 2. **Sliding fee scale; monthly gross individual or family income.** (a) The  
117.21 commissioner shall establish a sliding fee scale to determine the percentage of monthly  
117.22 gross individual or family income that households at different income levels must pay  
117.23 to obtain coverage through the MinnesotaCare program. The sliding fee scale must be  
117.24 based on the enrollee's monthly gross individual or family income. The sliding fee scale  
117.25 must contain separate tables based on enrollment of one, two, or three or more persons.  
117.26 The sliding fee scale begins with a premium of 1.5 percent of monthly gross individual or  
117.27 family income for individuals or families with incomes below the limits for the medical  
117.28 assistance program for families and children in effect on January 1, 1999, and proceeds  
117.29 through the following evenly spaced steps: 1.8, 2.3, 3.1, 3.8, 4.8, 5.9, 7.4, and 8.8 percent.  
117.30 These percentages are matched to evenly spaced income steps ranging from the medical  
117.31 assistance income limit for families and children in effect on January 1, 1999, to 275  
117.32 percent of the federal poverty guidelines for the applicable family size, up to a family size  
117.33 of five. The sliding fee scale for a family of five must be used for families of more than  
117.34 five. Effective October 1, 2003, the commissioner shall increase each percentage by 0.5  
117.35 percentage points for enrollees with income greater than 100 percent but not exceeding

118.1 200 percent of the federal poverty guidelines and shall increase each percentage by 1.0  
 118.2 percentage points for families and children with incomes greater than 200 percent of the  
 118.3 federal poverty guidelines. The sliding fee scale and percentages are not subject to the  
 118.4 provisions of chapter 14. If a family or individual reports ~~increased~~ a change in income  
 118.5 after enrollment, premiums shall not be adjusted ~~at the time the change in income is~~  
 118.6 ~~reported~~ until eligibility renewal.

118.7 (b) Beginning January 1, 2009, a new sliding fee scale premium schedule is  
 118.8 established for children. The premium schedule for children must be used in conjunction  
 118.9 with the premium schedule in paragraph (a) for adults to calculate a single MinnesotaCare  
 118.10 premium for a family. The sliding fee scale begins with a premium of \$11 per child  
 118.11 for households with incomes equal to or greater than 150 percent of the federal poverty  
 118.12 guidelines. Premiums must be adjusted at evenly spaced income steps at increments of  
 118.13 five percent of the federal poverty guidelines to a maximum premium of \$88 per child  
 118.14 for households with incomes equal to 300 percent of the federal poverty guidelines.  
 118.15 Premiums must be calculated for up to three children per family. Premiums for children  
 118.16 must be adjusted annually at an amount that is proportional to the annual adjustment in  
 118.17 premiums for adults. The sliding fee scale in this paragraph does not apply to children  
 118.18 enrolled under section 256L.075.

118.19 ~~(b)~~ (c) Children in families whose gross income is above ~~275~~ 300 percent of the  
 118.20 federal poverty guidelines shall pay the maximum premium. The maximum premium  
 118.21 is defined as a base charge for one, two, or three or more enrollees so that if all  
 118.22 MinnesotaCare cases paid the maximum premium, the total revenue would equal the  
 118.23 total cost of MinnesotaCare medical coverage and administration. In this calculation,  
 118.24 administrative costs shall be assumed to equal ten percent of the total. The costs of  
 118.25 medical coverage for pregnant women and children under age two and the enrollees in  
 118.26 these groups shall be excluded from the total. The maximum premium for two enrollees  
 118.27 shall be twice the maximum premium for one, and the maximum premium for three or  
 118.28 more enrollees shall be three times the maximum premium for one.

118.29 ~~(c) After calculating the percentage of premium each enrollee shall pay under~~  
 118.30 ~~paragraph (a), eight percent shall be added to the premium.~~

118.31 **EFFECTIVE DATE.** Paragraphs (a) and (b) are effective January 1, 2009, or  
 118.32 upon federal approval, whichever is later. The commissioner shall notify the Office of  
 118.33 the Revisor of Statutes when federal approval is obtained. Paragraph (c) is effective  
 118.34 July 1, 2007.

119.1 **ARTICLE 8**119.2 **MENTAL HEALTH**

119.3 Section 1. Minnesota Statutes 2006, section 148C.11, subdivision 1, is amended to read:

119.4 Subdivision 1. **Other professionals.** (a) Nothing in this chapter prevents members  
119.5 of other professions or occupations from performing functions for which they are qualified  
119.6 or licensed. This exception includes, but is not limited to: licensed physicians; registered  
119.7 nurses; licensed practical nurses; licensed psychological practitioners; members of  
119.8 the clergy; American Indian medicine men and women; licensed attorneys; probation  
119.9 officers; licensed marriage and family therapists; licensed social workers; social workers  
119.10 employed by city, county, or state agencies; licensed professional counselors; licensed  
119.11 school counselors; registered occupational therapists or occupational therapy assistants;  
119.12 city, county, or state employees when providing assessments or case management under  
119.13 Minnesota Rules, chapter 9530; and until July 1, ~~2007~~ 2009, individuals providing  
119.14 integrated dual-diagnosis treatment in adult mental health rehabilitative programs certified  
119.15 by the Department of Human Services under section 256B.0622 or 256B.0623.

119.16 (b) Nothing in this chapter prohibits technicians and resident managers in programs  
119.17 licensed by the Department of Human Services from discharging their duties as provided  
119.18 in Minnesota Rules, chapter 9530.

119.19 (c) Any person who is exempt under this subdivision but who elects to obtain a  
119.20 license under this chapter is subject to this chapter to the same extent as other licensees.  
119.21 The board shall issue a license without examination to an applicant who is licensed or  
119.22 registered in a profession identified in paragraph (a) if the applicant:

119.23 (1) shows evidence of current licensure or registration; and

119.24 (2) has submitted to the board a plan for supervision during the first 2,000 hours of  
119.25 professional practice or has submitted proof of supervised professional practice that is  
119.26 acceptable to the board.

119.27 (d) Any person who is exempt from licensure under this section must not use a  
119.28 title incorporating the words "alcohol and drug counselor" or "licensed alcohol and drug  
119.29 counselor" or otherwise hold themselves out to the public by any title or description  
119.30 stating or implying that they are engaged in the practice of alcohol and drug counseling,  
119.31 or that they are licensed to engage in the practice of alcohol and drug counseling unless  
119.32 that person is also licensed as an alcohol and drug counselor. Persons engaged in the  
119.33 practice of alcohol and drug counseling are not exempt from the board's jurisdiction  
119.34 solely by the use of one of the above titles.

120.1 Sec. 2. Minnesota Statutes 2006, section 245.465, is amended by adding a subdivision  
120.2 to read:

120.3 Subd. 3. **Responsibility not duplicated.** For individuals who have health care  
120.4 coverage, the county board is not responsible for providing mental health services which  
120.5 are covered by the entity that administers the individual's health care coverage.

120.6 Sec. 3. **[245.4682] MENTAL HEALTH SERVICE DELIVERY AND FINANCE**  
120.7 **REFORM.**

120.8 Subdivision 1. **Policy.** The commissioner of human services shall undertake a series  
120.9 of reforms to address the underlying structural, financial, and organizational problems in  
120.10 Minnesota's mental health system with the goal of improving the availability, quality, and  
120.11 accountability of mental health care within the state.

120.12 Subd. 2. **General provisions.** (a) In the design and implementation of reforms to  
120.13 the mental health system, the commissioner shall:

120.14 (1) consult with consumers, families, counties, tribes, advocates, providers, and  
120.15 other stakeholders;

120.16 (2) bring to the legislature, and the state Mental Health Advisory Council, by  
120.17 January 15, 2008, recommendations for legislation to update the role of counties and to  
120.18 clarify the case management roles and functions of health plans and counties;

120.19 (3) ensure continuity of care for persons affected by these reforms including  
120.20 ensuring client choice of provider by requiring broad provider networks and developing  
120.21 mechanisms to facilitate a smooth transition of service responsibilities;

120.22 (4) provide accountability for the efficient and effective use of public and private  
120.23 resources in achieving positive outcomes for consumers;

120.24 (5) ensure client access to applicable protections and appeals; and

120.25 (6) make budget transfers necessary to implement the reallocation of services and  
120.26 client responsibilities between counties and health care programs that do not increase the  
120.27 state and county costs and efficiently allocate state funds.

120.28 (b) When making transfers under paragraph (a) necessary to implement movement  
120.29 of responsibility for clients and services between counties and health care programs,  
120.30 the commissioner, in consultation with counties, shall ensure that any transfer of state  
120.31 grants to health care programs, including the value of case management transfer grants  
120.32 under section 256B.0625, subdivision 20, does not exceed the value of the services being  
120.33 transferred for the latest 12-month period for which data is available. The commissioner  
120.34 may make quarterly adjustments based on the availability of additional data during the  
120.35 first four quarters after the transfers first occur. If case management transfer grants under

121.1 section 256B.0625, subdivision 20, are repealed and the value, based on the last year prior  
 121.2 to repeal, exceeds the value of the services being transferred, the difference becomes an  
 121.3 ongoing part of each county's adult and children's mental health grants under sections  
 121.4 245.4661, 245.4889, and 256E.12.

121.5 Subd. 3. **Projects for coordination of care.** (a) Consistent with section 256B.69  
 121.6 and chapters 256D and 256L, the commissioner is authorized to solicit, approve, and  
 121.7 implement projects to demonstrate the integration of physical and mental health services  
 121.8 within prepaid health plans and their coordination with social services. The commissioner  
 121.9 shall require that each project be based on locally defined partnerships that include at  
 121.10 least one health maintenance organization, community integrated service network, or  
 121.11 accountable provider network authorized and operating under chapter 62D, 62N, or 62T, or  
 121.12 county-based purchasing entity under section 256B.692 that is eligible to contract with the  
 121.13 commissioner as a prepaid health plan, and the county or counties within the service area.

121.14 (b) The commissioner, in consultation with consumers, families, and their  
 121.15 representatives, shall:

121.16 (1) determine criteria for approving the projects and use those criteria to solicit  
 121.17 proposals for preferred integrated networks. The commissioner must develop criteria to  
 121.18 evaluate the partnership proposed by the county and prepaid health plan to coordinate  
 121.19 access and delivery of services. The proposal must at a minimum address how the  
 121.20 partnership will coordinate the provision of:

121.21 (i) client outreach and identification of health and social service needs paired with  
 121.22 expedited access to appropriate resources;

121.23 (ii) activities to maintain continuity of health care coverage;

121.24 (iii) children's residential mental health treatment and treatment foster care;

121.25 (iv) court-ordered assessments and treatments;

121.26 (v) prepetition screening and commitments under chapter 253B;

121.27 (vi) assessment and treatment of children identified through mental health screening  
 121.28 of child welfare and juvenile corrections cases;

121.29 (vii) housing; and

121.30 (viii) transportation;

121.31 (2) determine specifications for contracts with prepaid health plans to improve the  
 121.32 plan's ability to serve persons with mental health conditions, including specifications  
 121.33 addressing:

121.34 (i) early identification and intervention of physical and behavioral health problems;

121.35 (ii) communication between the enrollee and the health plan;

- 122.1 (iii) facilitation of enrollment for persons who are also eligible for a Medicare  
 122.2 special needs plan offered by the health plan;  
 122.3 (iv) risk screening procedures;  
 122.4 (v) health care coordination;  
 122.5 (vi) member services and access to applicable protections and appeal processes;  
 122.6 (vii) specialty provider networks;  
 122.7 (viii) transportation services;  
 122.8 (ix) treatment planning; and  
 122.9 (x) administrative simplification for providers;  
 122.10 (3) begin implementation of the projects no earlier than January 1, 2009, with not  
 122.11 more than 40 percent of the statewide population described in paragraph (c) included  
 122.12 during calendar year 2009 and additional individuals included in subsequent years;  
 122.13 (4) waive any administrative rule not consistent with the implementation of the  
 122.14 projects; and  
 122.15 (5) allow potential bidders at least 90 days to respond to the request for proposals.  
 122.16 (c) Notwithstanding any statute or administrative rule to the contrary, the  
 122.17 commissioner may enroll all persons eligible for medical assistance with serious mental  
 122.18 illness or emotional disturbance in the prepaid plan of their choice within the project  
 122.19 service area unless:  
 122.20 (1) the individual is eligible for home and community-based services under section  
 122.21 256B.092; or  
 122.22 (2) the individual has a basis for exclusion from the prepaid plan under section  
 122.23 256B.69, subdivision 4, other than disability, mental illness, or emotional disturbance.  
 122.24 (d) If the person described in paragraph (c) does not elect to remain in fee-for-service  
 122.25 medical assistance, or declines to choose a plan, the commissioner may preferentially  
 122.26 assign that person to the prepaid plan participating in the preferred integrated network.  
 122.27 The commissioner shall implement the enrollment changes within a project's service area  
 122.28 on the timeline specified in that project's approved application.  
 122.29 (e) A person enrolled in a prepaid health plan under paragraph (c) may request to  
 122.30 disenroll from the plan at any time.  
 122.31 (f) The commissioner, in consultation with consumers, families, and their  
 122.32 representatives, shall evaluate the projects begun in 2009, and shall refine the design of  
 122.33 the service integration projects before expanding the projects beyond 40 percent of the  
 122.34 statewide population and before expanding the number of service areas engaged in the  
 122.35 demonstration projects as additional qualified applicant partnerships present themselves.

123.1 (g) The commissioner shall apply for any federal waivers necessary to implement  
123.2 these changes.

123.3 Sec. 4. Minnesota Statutes 2006, section 245.4874, is amended to read:

123.4 **245.4874 DUTIES OF COUNTY BOARD.**

123.5 Subdivision 1. Duties of the county board. (a) The county board must:

123.6 (1) develop a system of affordable and locally available children's mental health  
123.7 services according to sections 245.487 to 245.4887;

123.8 (2) establish a mechanism providing for interagency coordination as specified in  
123.9 section 245.4875, subdivision 6;

123.10 (3) consider the assessment of unmet needs in the county as reported by the local  
123.11 children's mental health advisory council under section 245.4875, subdivision 5, paragraph  
123.12 (b), clause (3). The county shall provide, upon request of the local children's mental health  
123.13 advisory council, readily available data to assist in the determination of unmet needs;

123.14 (4) assure that parents and providers in the county receive information about how to  
123.15 gain access to services provided according to sections 245.487 to 245.4887;

123.16 (5) coordinate the delivery of children's mental health services with services  
123.17 provided by social services, education, corrections, health, and vocational agencies to  
123.18 improve the availability of mental health services to children and the cost-effectiveness of  
123.19 their delivery;

123.20 (6) assure that mental health services delivered according to sections 245.487  
123.21 to 245.4887 are delivered expeditiously and are appropriate to the child's diagnostic  
123.22 assessment and individual treatment plan;

123.23 (7) provide the community with information about predictors and symptoms of  
123.24 emotional disturbances and how to access children's mental health services according to  
123.25 sections 245.4877 and 245.4878;

123.26 (8) provide for case management services to each child with severe emotional  
123.27 disturbance according to sections 245.486; 245.4871, subdivisions 3 and 4; and 245.4881,  
123.28 subdivisions 1, 3, and 5;

123.29 (9) provide for screening of each child under section 245.4885 upon admission  
123.30 to a residential treatment facility, acute care hospital inpatient treatment, or informal  
123.31 admission to a regional treatment center;

123.32 (10) prudently administer grants and purchase-of-service contracts that the county  
123.33 board determines are necessary to fulfill its responsibilities under sections 245.487 to  
123.34 245.4887;

124.1 (11) assure that mental health professionals, mental health practitioners, and case  
124.2 managers employed by or under contract to the county to provide mental health services  
124.3 are qualified under section 245.4871;

124.4 (12) assure that children's mental health services are coordinated with adult mental  
124.5 health services specified in sections 245.461 to 245.486 so that a continuum of mental  
124.6 health services is available to serve persons with mental illness, regardless of the person's  
124.7 age;

124.8 (13) assure that culturally informed mental health consultants are used as necessary  
124.9 to assist the county board in assessing and providing appropriate treatment for children of  
124.10 cultural or racial minority heritage; and

124.11 (14) consistent with section 245.486, arrange for or provide a children's mental  
124.12 health screening to a child receiving child protective services or a child in out-of-home  
124.13 placement, a child for whom parental rights have been terminated, a child found to be  
124.14 delinquent, and a child found to have committed a juvenile petty offense for the third or  
124.15 subsequent time, unless a screening has been performed within the previous 180 days, or  
124.16 the child is currently under the care of a mental health professional. The court or county  
124.17 agency must notify a parent or guardian whose parental rights have not been terminated of  
124.18 the potential mental health screening and the option to prevent the screening by notifying  
124.19 the court or county agency in writing. The screening shall be conducted with a screening  
124.20 instrument approved by the commissioner of human services according to criteria that  
124.21 are updated and issued annually to ensure that approved screening instruments are valid  
124.22 and useful for child welfare and juvenile justice populations, and shall be conducted  
124.23 by a mental health practitioner as defined in section 245.4871, subdivision 26, or a  
124.24 probation officer or local social services agency staff person who is trained in the use of  
124.25 the screening instrument. Training in the use of the instrument shall include training in the  
124.26 administration of the instrument, the interpretation of its validity given the child's current  
124.27 circumstances, the state and federal data practices laws and confidentiality standards, the  
124.28 parental consent requirement, and providing respect for families and cultural values.  
124.29 If the screen indicates a need for assessment, the child's family, or if the family lacks  
124.30 mental health insurance, the local social services agency, in consultation with the child's  
124.31 family, shall have conducted a diagnostic assessment, including a functional assessment,  
124.32 as defined in section 245.4871. The administration of the screening shall safeguard the  
124.33 privacy of children receiving the screening and their families and shall comply with the  
124.34 Minnesota Government Data Practices Act, chapter 13, and the federal Health Insurance  
124.35 Portability and Accountability Act of 1996, Public Law 104-191. Screening results shall be  
124.36 considered private data and the commissioner shall not collect individual screening results.

125.1 (b) When the county board refers clients to providers of children's therapeutic  
 125.2 services and supports under section 256B.0943, the county board must clearly identify  
 125.3 the desired services components not covered under section 256B.0943 and identify the  
 125.4 reimbursement source for those requested services, the method of payment, and the  
 125.5 payment rate to the provider.

125.6 Subd. 2. **Responsibility not duplicated.** For individuals who have health care  
 125.7 coverage, the county board is not responsible for providing mental health services which  
 125.8 are covered by the entity which administers the individual's health care coverage.

125.9 **Sec. 5. [245.4889] CHILDREN'S MENTAL HEALTH GRANTS.**

125.10 Subdivision 1. **Establishment and authority.** (a) The commissioner is authorized  
 125.11 to make grants from available appropriations to assist:

125.12 (1) counties;

125.13 (2) Indian tribes;

125.14 (3) children's collaboratives under section 124D.23 or 245.493; or

125.15 (4) mental health service providers

125.16 for providing services to children with emotional disturbances as defined in section  
 125.17 245.4871, subdivision 15, and their families. The commissioner may also authorize  
 125.18 grants to young adults meeting the criteria for transition services in section 245.4875,  
 125.19 subdivision 8, and their families.

125.20 (b) Services under paragraph (a) must be designed to help each child to function and  
 125.21 remain with the child's family in the community and delivered consistent with the child's  
 125.22 treatment plan. Transition services to eligible young adults under paragraph (a) must be  
 125.23 designed to foster independent living in the community.

125.24 Subd. 2. **Grant application and reporting requirements.** To apply for a grant,  
 125.25 an applicant organization shall submit an application and budget for the use of the  
 125.26 money in the form specified by the commissioner. The commissioner shall make grants  
 125.27 only to entities whose applications and budgets are approved by the commissioner. In  
 125.28 awarding grants, the commissioner shall give priority to applications that indicate plans  
 125.29 to collaborate in the development, funding, and delivery of services with other agencies  
 125.30 in the local system of care. The commissioner shall specify requirements for reports,  
 125.31 including quarterly fiscal reports under section 256.01, subdivision 2, paragraph (q). The  
 125.32 commissioner shall require collection of data and periodic reports that the commissioner  
 125.33 deems necessary to demonstrate the effectiveness of each service.

125.34 **Sec. 6. Minnesota Statutes 2006, section 246.54, subdivision 1, is amended to read:**

126.1 Subdivision 1. **County portion for cost of care.** Except for chemical dependency  
 126.2 services provided under sections 254B.01 to 254B.09, the client's county shall pay to the  
 126.3 state of Minnesota a portion of the cost of care provided in a regional treatment center  
 126.4 or a state nursing facility to a client legally settled in that county. A county's payment  
 126.5 shall be made from the county's own sources of revenue and payments shall ~~be paid as~~  
 126.6 ~~follows: payments to the state from the county shall equal 20 percent~~ a percentage of the  
 126.7 cost of care, as determined by the commissioner, for each day, or the portion thereof, that  
 126.8 the client spends at a regional treatment center or a state nursing facility: according to  
 126.9 the following schedule:

126.10 (1) zero percent for the first 30 days;

126.11 (2) 20 percent for days 31 to 60; and

126.12 (3) 50 percent for any days over 60.

126.13 If payments received by the state under sections 246.50 to 246.53 exceed 80 percent  
 126.14 of the cost of care for days 31 to 60, or 50 percent for days over 60, the county shall be  
 126.15 responsible for paying the state only the remaining amount. The county shall not be  
 126.16 entitled to reimbursement from the client, the client's estate, or from the client's relatives,  
 126.17 except as provided in section 246.53. ~~No such payments shall be made for any client who~~  
 126.18 ~~was last committed prior to July 1, 1947.~~

126.19 **EFFECTIVE DATE.** This section is effective January 1, 2008.

126.20 Sec. 7. Minnesota Statutes 2006, section 256B.0625, is amended by adding a  
 126.21 subdivision to read:

126.22 Subd. 51. **Intensive mental health outpatient treatment.** Medical assistance  
 126.23 covers intensive mental health outpatient treatment for dialectical behavioral therapy for  
 126.24 adults. The commissioner shall establish:

126.25 (1) certification procedures to ensure that providers of these services are qualified;

126.26 and

126.27 (2) treatment protocols including required service components and criteria for  
 126.28 admission, continued treatment, and discharge.

126.29 **EFFECTIVE DATE.** This section is effective July 1, 2008, and subject to federal  
 126.30 approval. The commissioner shall notify the revisor of statutes when federal approval is  
 126.31 obtained.

126.32 Sec. 8. Minnesota Statutes 2006, section 256B.0625, subdivision 20, is amended to  
 126.33 read:

127.1 Subd. 20. **Mental health case management.** (a) To the extent authorized by rule  
127.2 of the state agency, medical assistance covers case management services to persons with  
127.3 serious and persistent mental illness and children with severe emotional disturbance.  
127.4 Services provided under this section must meet the relevant standards in sections 245.461  
127.5 to 245.4887, the Comprehensive Adult and Children's Mental Health Acts, Minnesota  
127.6 Rules, parts 9520.0900 to 9520.0926, and 9505.0322, excluding subpart 10.

127.7 (b) Entities meeting program standards set out in rules governing family community  
127.8 support services as defined in section 245.4871, subdivision 17, are eligible for medical  
127.9 assistance reimbursement for case management services for children with severe  
127.10 emotional disturbance when these services meet the program standards in Minnesota  
127.11 Rules, parts 9520.0900 to 9520.0926 and 9505.0322, excluding subparts 6 and 10.

127.12 (c) Medical assistance and MinnesotaCare payment for mental health case  
127.13 management shall be made on a monthly basis. In order to receive payment for an eligible  
127.14 child, the provider must document at least a face-to-face contact with the child, the child's  
127.15 parents, or the child's legal representative. To receive payment for an eligible adult, the  
127.16 provider must document:

127.17 (1) at least a face-to-face contact with the adult or the adult's legal representative; or

127.18 (2) at least a telephone contact with the adult or the adult's legal representative and  
127.19 document a face-to-face contact with the adult or the adult's legal representative within  
127.20 the preceding two months.

127.21 (d) Payment for mental health case management provided by county or state staff  
127.22 shall be based on the monthly rate methodology under section 256B.094, subdivision 6,  
127.23 paragraph (b), with separate rates calculated for child welfare and mental health, and  
127.24 within mental health, separate rates for children and adults.

127.25 (e) Payment for mental health case management provided by Indian health services  
127.26 or by agencies operated by Indian tribes may be made according to this section or other  
127.27 relevant federally approved rate setting methodology.

127.28 (f) Payment for mental health case management provided by vendors who contract  
127.29 with a county or Indian tribe shall be based on a monthly rate negotiated by the host county  
127.30 or tribe. The negotiated rate must not exceed the rate charged by the vendor for the same  
127.31 service to other payers. If the service is provided by a team of contracted vendors, the  
127.32 county or tribe may negotiate a team rate with a vendor who is a member of the team. The  
127.33 team shall determine how to distribute the rate among its members. No reimbursement  
127.34 received by contracted vendors shall be returned to the county or tribe, except to reimburse  
127.35 the county or tribe for advance funding provided by the county or tribe to the vendor.

128.1 (g) If the service is provided by a team which includes contracted vendors, tribal  
128.2 staff, and county or state staff, the costs for county or state staff participation in the team  
128.3 shall be included in the rate for county-provided services. In this case, the contracted  
128.4 vendor, the tribal agency, and the county may each receive separate payment for services  
128.5 provided by each entity in the same month. In order to prevent duplication of services,  
128.6 each entity must document, in the recipient's file, the need for team case management and  
128.7 a description of the roles of the team members.

128.8 ~~(h) The commissioner shall calculate the nonfederal share of actual medical  
128.9 assistance and general assistance medical care payments for each county, based on the  
128.10 higher of calendar year 1995 or 1996, by service date, project that amount forward to 1999,  
128.11 and transfer one-half of the result from medical assistance and general assistance medical  
128.12 care to each county's mental health grants under section 256E.12 for calendar year 1999.  
128.13 The annualized minimum amount added to each county's mental health grant shall be  
128.14 \$3,000 per year for children and \$5,000 per year for adults. The commissioner may reduce  
128.15 the statewide growth factor in order to fund these minimums. The annualized total amount  
128.16 transferred shall become part of the base for future mental health grants for each county.~~

128.17 ~~(h)~~ (h) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of  
128.18 costs for mental health case management shall be provided by the recipient's county of  
128.19 responsibility, as defined in sections 256G.01 to 256G.12, from sources other than federal  
128.20 funds or funds used to match other federal funds. If the service is provided by a tribal  
128.21 agency, the nonfederal share, if any, shall be provided by the recipient's tribe. When this  
128.22 service is paid by the state without a federal share through fee-for-service, 50 percent of  
128.23 the cost shall be provided by the recipient's county of responsibility.

128.24 (i) Notwithstanding any administrative rule to the contrary, prepaid medical  
128.25 assistance, general assistance medical care, and MinnesotaCare include mental health case  
128.26 management. When the service is provided through prepaid capitation, the nonfederal  
128.27 share is paid by the state and the county pays no share.

128.28 (j) The commissioner may suspend, reduce, or terminate the reimbursement to a  
128.29 provider that does not meet the reporting or other requirements of this section. The county  
128.30 of responsibility, as defined in sections 256G.01 to 256G.12, or, if applicable, the tribal  
128.31 agency, is responsible for any federal disallowances. The county or tribe may share this  
128.32 responsibility with its contracted vendors.

128.33 (k) The commissioner shall set aside a portion of the federal funds earned for county  
128.34 expenditures under this section to repay the special revenue maximization account under  
128.35 section 256.01, subdivision 2, clause (15). The repayment is limited to:

128.36 (1) the costs of developing and implementing this section; and

129.1 (2) programming the information systems.

129.2 (l) Payments to counties and tribal agencies for case management expenditures  
 129.3 under this section shall only be made from federal earnings from services provided  
 129.4 under this section. When this service is paid by the state without a federal share through  
 129.5 fee-for-service, 50 percent of the cost shall be provided by the state. Payments to  
 129.6 county-contracted vendors shall include ~~both~~ the federal earnings, the state share, and the  
 129.7 county share.

129.8 ~~(m) Notwithstanding section 256B.041, county payments for the cost of mental~~  
 129.9 ~~health case management services provided by county or state staff shall not be made~~  
 129.10 ~~to the commissioner of finance. For the purposes of mental health case management~~  
 129.11 ~~services provided by county or state staff under this section, the centralized disbursement~~  
 129.12 ~~of payments to counties under section 256B.041 consists only of federal earnings from~~  
 129.13 ~~services provided under this section.~~

129.14 ~~(n)~~ (m) Case management services under this subdivision do not include therapy,  
 129.15 treatment, legal, or outreach services.

129.16 ~~(o)~~ (n) If the recipient is a resident of a nursing facility, intermediate care facility,  
 129.17 or hospital, and the recipient's institutional care is paid by medical assistance, payment  
 129.18 for case management services under this subdivision is limited to the last 180 days of  
 129.19 the recipient's residency in that facility and may not exceed more than six months in a  
 129.20 calendar year.

129.21 ~~(p)~~ (o) Payment for case management services under this subdivision shall not  
 129.22 duplicate payments made under other program authorities for the same purpose.

129.23 ~~(q) By July 1, 2000, the commissioner shall evaluate the effectiveness of the changes~~  
 129.24 ~~required by this section, including changes in number of persons receiving mental health~~  
 129.25 ~~case management, changes in hours of service per person, and changes in caseload size.~~

129.26 ~~(r) For each calendar year beginning with the calendar year 2001, the annualized~~  
 129.27 ~~amount of state funds for each county determined under paragraph (h) shall be adjusted by~~  
 129.28 ~~the county's percentage change in the average number of clients per month who received~~  
 129.29 ~~case management under this section during the fiscal year that ended six months prior to~~  
 129.30 ~~the calendar year in question, in comparison to the prior fiscal year.~~

129.31 ~~(s) For counties receiving the minimum allocation of \$3,000 or \$5,000 described~~  
 129.32 ~~in paragraph (h), the adjustment in paragraph (s) shall be determined so that the county~~  
 129.33 ~~receives the higher of the following amounts:~~

129.34 ~~(1) a continuation of the minimum allocation in paragraph (h); or~~

129.35 ~~(2) an amount based on that county's average number of clients per month who~~  
 129.36 ~~received case management under this section during the fiscal year that ended six months~~

130.1 ~~prior to the calendar year in question, times the average statewide grant per person per~~  
 130.2 ~~month for counties not receiving the minimum allocation.~~

130.3 ~~(t) The adjustments in paragraphs (s) and (t) shall be calculated separately for~~  
 130.4 ~~children and adults.~~

130.5 **EFFECTIVE DATE.** This section is effective January 1, 2009, except the  
 130.6 amendments to paragraphs (h), (r), (s), and (t) are effective January 1, 2008.

130.7 Sec. 9. Minnesota Statutes 2006, section 256B.0943, subdivision 8, is amended to read:

130.8 **Subd. 8. Required preservice and continuing education.** (a) A provider entity  
 130.9 shall establish a plan to provide preservice and continuing education for staff. The plan  
 130.10 must clearly describe the type of training necessary to maintain current skills and obtain  
 130.11 new skills and that relates to the provider entity's goals and objectives for services offered.

130.12 (b) A provider that employs a mental health behavioral aide under this section must  
 130.13 require the mental health behavioral aide to complete 30 hours of preservice training. The  
 130.14 preservice training must include topics specified in Minnesota Rules, part 9535.4068,  
 130.15 subparts 1 and 2, and parent team training. The preservice training must include 15 hours  
 130.16 of in-person training of a mental health behavioral aide in mental health services delivery  
 130.17 and eight hours of parent team training. Curricula for parent team training must be  
 130.18 approved in advance by the commissioner. Components of parent team training include:

130.19 (1) partnering with parents;

130.20 (2) fundamentals of family support;

130.21 (3) fundamentals of policy and decision making;

130.22 (4) defining equal partnership;

130.23 (5) complexities of the parent and service provider partnership in multiple service  
 130.24 delivery systems due to system strengths and weaknesses;

130.25 (6) sibling impacts;

130.26 (7) support networks; and

130.27 (8) community resources.

130.28 (c) A provider entity that employs a mental health practitioner and a mental health  
 130.29 behavioral aide to provide children's therapeutic services and supports under this section  
 130.30 must require the mental health practitioner and mental health behavioral aide to complete  
 130.31 20 hours of continuing education every two calendar years. The continuing education  
 130.32 must be related to serving the needs of a child with emotional disturbance in the child's  
 130.33 home environment and the child's family. The topics covered in orientation and training  
 130.34 must conform to Minnesota Rules, part 9535.4068.

131.1 (d) The provider entity must document the mental health practitioner's or mental  
 131.2 health behavioral aide's annual completion of the required continuing education. The  
 131.3 documentation must include the date, subject, and number of hours of the continuing  
 131.4 education, and attendance records, as verified by the staff member's signature, job  
 131.5 title, and the instructor's name. The provider entity must keep documentation for each  
 131.6 employee, including records of attendance at professional workshops and conferences,  
 131.7 at a central location and in the employee's personnel file.

131.8 Sec. 10. Minnesota Statutes 2006, section 256B.0945, subdivision 4, is amended to  
 131.9 read:

131.10 Subd. 4. **Payment rates.** (a) Notwithstanding sections 256B.19 and 256B.041,  
 131.11 payments to counties for residential services provided by a residential facility shall only  
 131.12 be made of federal earnings for services provided under this section, and the nonfederal  
 131.13 share of costs for services provided under this section shall be paid by the county from  
 131.14 sources other than federal funds or funds used to match other federal funds. Payment to  
 131.15 counties for services provided according to this section shall be a proportion of the per  
 131.16 day contract rate that relates to rehabilitative mental health services and shall not include  
 131.17 payment for costs or services that are billed to the IV-E program as room and board.

131.18 (b) Per diem rates paid to providers under this section by prepaid plans shall be the  
 131.19 proportion of the per-day contract rate that relates to rehabilitative mental health services  
 131.20 and shall not include payment for group foster care costs or services that are billed to the  
 131.21 county of financial responsibility.

131.22 (c) The commissioner shall set aside a portion not to exceed five percent of the  
 131.23 federal funds earned for county expenditures under this section to cover the state costs of  
 131.24 administering this section. Any unexpended funds from the set-aside shall be distributed  
 131.25 to the counties in proportion to their earnings under this section.

131.26 **EFFECTIVE DATE.** This section is effective January 1, 2009.

131.27 Sec. 11. Minnesota Statutes 2006, section 256B.69, subdivision 4, is amended to read:

131.28 Subd. 4. **Limitation of choice.** (a) The commissioner shall develop criteria to  
 131.29 determine when limitation of choice may be implemented in the experimental counties.  
 131.30 The criteria shall ensure that all eligible individuals in the county have continuing access  
 131.31 to the full range of medical assistance services as specified in subdivision 6.

131.32 (b) The commissioner shall exempt the following persons from participation in the  
 131.33 project, in addition to those who do not meet the criteria for limitation of choice:

- 132.1 (1) persons eligible for medical assistance according to section 256B.055,  
 132.2 subdivision 1;
- 132.3 (2) persons eligible for medical assistance due to blindness or disability as  
 132.4 determined by the Social Security Administration or the state medical review team, unless:  
 132.5 (i) they are 65 years of age or older; or  
 132.6 (ii) they reside in Itasca County or they reside in a county in which the commissioner  
 132.7 conducts a pilot project under a waiver granted pursuant to section 1115 of the Social  
 132.8 Security Act;
- 132.9 (3) recipients who currently have private coverage through a health maintenance  
 132.10 organization;
- 132.11 (4) recipients who are eligible for medical assistance by spending down excess  
 132.12 income for medical expenses other than the nursing facility per diem expense;
- 132.13 (5) recipients who receive benefits under the Refugee Assistance Program,  
 132.14 established under United States Code, title 8, section 1522(e);
- 132.15 (6) except children who are eligible for and who decline enrollment in an approved  
 132.16 preferred integrated network under section 245.4682, children who are both determined to  
 132.17 be severely emotionally disturbed and receiving case management services according to  
 132.18 section 256B.0625, subdivision 20;
- 132.19 ~~(7)~~ adults who are both determined to be seriously and persistently mentally ill and  
 132.20 received case management services according to section 256B.0625, subdivision 20;
- 132.21 ~~(8)~~ (7) persons eligible for medical assistance according to section 256B.057,  
 132.22 subdivision 10; and
- 132.23 ~~(9)~~ (8) persons with access to cost-effective employer-sponsored private health  
 132.24 insurance or persons enrolled in a non-Medicare individual health plan determined to be  
 132.25 cost-effective according to section 256B.0625, subdivision 15.
- 132.26 Children under age 21 who are in foster placement may enroll in the project on an elective  
 132.27 basis. Individuals excluded under clauses (1); and (6), ~~and (7)~~ may choose to enroll on an  
 132.28 elective basis. The commissioner may enroll recipients in the prepaid medical assistance  
 132.29 program for seniors who are (1) age 65 and over, and (2) eligible for medical assistance by  
 132.30 spending down excess income.
- 132.31 (c) The commissioner may allow persons with a one-month spenddown who are  
 132.32 otherwise eligible to enroll to voluntarily enroll or remain enrolled, if they elect to prepay  
 132.33 their monthly spenddown to the state.
- 132.34 (d) The commissioner may require those individuals to enroll in the prepaid medical  
 132.35 assistance program who otherwise would have been excluded under paragraph (b), clauses

133.1 (1), (3), and ~~(8)~~ (7), and under Minnesota Rules, part 9500.1452, subpart 2, items H,  
 133.2 K, and L.

133.3 (e) Before limitation of choice is implemented, eligible individuals shall be notified  
 133.4 and after notification, shall be allowed to choose only among demonstration providers.  
 133.5 The commissioner may assign an individual with private coverage through a health  
 133.6 maintenance organization, to the same health maintenance organization for medical  
 133.7 assistance coverage, if the health maintenance organization is under contract for medical  
 133.8 assistance in the individual's county of residence. After initially choosing a provider,  
 133.9 the recipient is allowed to change that choice only at specified times as allowed by the  
 133.10 commissioner. If a demonstration provider ends participation in the project for any reason,  
 133.11 a recipient enrolled with that provider must select a new provider but may change providers  
 133.12 without cause once more within the first 60 days after enrollment with the second provider.

133.13 (f) An infant born to a woman who is eligible for and receiving medical assistance  
 133.14 and who is enrolled in the prepaid medical assistance program shall be retroactively  
 133.15 enrolled to the month of birth in the same managed care plan as the mother once the  
 133.16 child is enrolled in medical assistance unless the child is determined to be excluded from  
 133.17 enrollment in a prepaid plan under this section.

133.18 **EFFECTIVE DATE.** This section is effective January 1, 2009.

133.19 Sec. 12. Minnesota Statutes 2006, section 256B.69, subdivision 5g, is amended to read:

133.20 Subd. 5g. **Payment for covered services.** For services rendered on or after January  
 133.21 1, 2003, the total payment made to managed care plans for providing covered services  
 133.22 under the medical assistance and general assistance medical care programs is reduced by  
 133.23 .5 percent from their current statutory rates. This provision excludes payments for nursing  
 133.24 home services, home and community-based waivers, ~~and~~ payments to demonstration  
 133.25 projects for persons with disabilities, and mental health services added as covered benefits  
 133.26 after December 31, 2007.

133.27 Sec. 13. Minnesota Statutes 2006, section 256B.69, subdivision 5h, is amended to read:

133.28 Subd. 5h. **Payment reduction.** In addition to the reduction in subdivision 5g,  
 133.29 the total payment made to managed care plans under the medical assistance program is  
 133.30 reduced 1.0 percent for services provided on or after October 1, 2003, and an additional  
 133.31 1.0 percent for services provided on or after January 1, 2004. This provision excludes  
 133.32 payments for nursing home services, home and community-based waivers, ~~and~~ payments  
 133.33 to demonstration projects for persons with disabilities, and mental health services added as  
 133.34 covered benefits after December 31, 2007.

134.1 Sec. 14. Minnesota Statutes 2006, section 256B.763, is amended to read:

134.2 **256B.763 CRITICAL ACCESS MENTAL HEALTH RATE INCREASE.**

134.3 (a) For services defined in paragraph (b) and rendered on or after July 1, 2007,  
134.4 payment rates shall be increased by 23.7 percent over the rates in effect on January 1,  
134.5 2006, for:

- 134.6 (1) psychiatrists and advanced practice registered nurses with a psychiatric specialty;  
134.7 (2) community mental health centers under section 256B.0625, subdivision 5; and  
134.8 (3) mental health clinics and centers certified under Minnesota Rules, parts  
134.9 9520.0750 to 9520.0870, or hospital outpatient psychiatric departments that are designated  
134.10 as essential community providers under section 62Q.19.

134.11 (b) This increase applies to group skills training when provided as a component of  
134.12 children's therapeutic services and support, psychotherapy, medication management,  
134.13 evaluation and management, diagnostic assessment, explanation of findings, psychological  
134.14 testing, neuropsychological services, direction of behavioral aides, and inpatient  
134.15 consultation.

134.16 (c) This increase does not apply to rates that are governed by section 256B.0625,  
134.17 subdivision 30, or 256B.761, paragraph (b), other cost-based rates, rates that are  
134.18 negotiated with the county, rates that are established by the federal government, or rates  
134.19 that increased between January 1, 2004, and January 1, 2005.

134.20 (d) The commissioner shall adjust rates paid to prepaid health plans under contract  
134.21 with the commissioner to reflect the rate increases provided in ~~paragraph~~ paragraphs (a),  
134.22 (e), and (f). The prepaid health plan must pass this rate increase to the providers identified  
134.23 in ~~paragraph~~ paragraphs (a), (e), and (f).

134.24 (e) Payment rates shall be increased by 23.7 percent over the rates in effect on  
134.25 January 1, 2006, for:

- 134.26 (1) medication education services provided on or after January 1, 2008, by adult  
134.27 rehabilitative mental health services providers certified under section 256B.0623; and  
134.28 (2) mental health behavioral aide services provided on or after January 1, 2008, by  
134.29 children's therapeutic services and support providers certified under section 256B.0943.

134.30 (f) For services defined in paragraph (b) and rendered on or after January 1, 2008, by  
134.31 children's therapeutic services and support providers certified under section 256B.0943  
134.32 and not already included in paragraph (a), payment rates shall be increased by 23.7 percent  
134.33 over the rates in effect on January 1, 2006.

134.34 **EFFECTIVE DATE.** This section is effective January 1, 2008.

135.1 Sec. 15. Minnesota Statutes 2006, section 256D.03, subdivision 4, is amended to read:

135.2 Subd. 4. **General assistance medical care; services.** (a)(i) For a person who is  
135.3 eligible under subdivision 3, paragraph (a), clause (2), item (i), general assistance medical  
135.4 care covers, except as provided in paragraph (c):

135.5 (1) inpatient hospital services;

135.6 (2) outpatient hospital services;

135.7 (3) services provided by Medicare certified rehabilitation agencies;

135.8 (4) prescription drugs and other products recommended through the process

135.9 established in section 256B.0625, subdivision 13;

135.10 (5) equipment necessary to administer insulin and diagnostic supplies and equipment  
135.11 for diabetics to monitor blood sugar level;

135.12 (6) eyeglasses and eye examinations provided by a physician or optometrist;

135.13 (7) hearing aids;

135.14 (8) prosthetic devices;

135.15 (9) laboratory and X-ray services;

135.16 (10) physician's services;

135.17 (11) medical transportation except special transportation;

135.18 (12) chiropractic services as covered under the medical assistance program;

135.19 (13) podiatric services;

135.20 (14) dental services as covered under the medical assistance program;

135.21 ~~(15) outpatient services provided by a mental health center or clinic that is under~~

135.22 ~~contract with the county board and is established under section 245.62~~ mental health

135.23 services covered under chapter 256B;

135.24 ~~(16) day treatment services for mental illness provided under contract with the~~

135.25 ~~county board;~~

135.26 ~~(17)~~ (16) prescribed medications for persons who have been diagnosed as mentally

135.27 ill as necessary to prevent more restrictive institutionalization;

135.28 ~~(18) psychological services;~~ (17) medical supplies and equipment, and Medicare

135.29 premiums, coinsurance and deductible payments;

135.30 ~~(19)~~ (18) medical equipment not specifically listed in this paragraph when the use

135.31 of the equipment will prevent the need for costlier services that are reimbursable under

135.32 this subdivision;

135.33 ~~(20)~~ (19) services performed by a certified pediatric nurse practitioner, a

135.34 certified family nurse practitioner, a certified adult nurse practitioner, a certified

135.35 obstetric/gynecological nurse practitioner, a certified neonatal nurse practitioner, or a

135.36 certified geriatric nurse practitioner in independent practice, if (1) the service is otherwise

136.1 covered under this chapter as a physician service, (2) the service provided on an inpatient  
 136.2 basis is not included as part of the cost for inpatient services included in the operating  
 136.3 payment rate, and (3) the service is within the scope of practice of the nurse practitioner's  
 136.4 license as a registered nurse, as defined in section 148.171;

136.5 ~~(21)~~ (20) services of a certified public health nurse or a registered nurse practicing  
 136.6 in a public health nursing clinic that is a department of, or that operates under the direct  
 136.7 authority of, a unit of government, if the service is within the scope of practice of the  
 136.8 public health nurse's license as a registered nurse, as defined in section 148.171; and

136.9 ~~(22)~~ (21) telemedicine consultations, to the extent they are covered under section  
 136.10 256B.0625, subdivision 3b; and.

136.11 ~~(23) mental health telemedicine and psychiatric consultation as covered under~~  
 136.12 ~~section 256B.0625, subdivisions 46 and 48.~~

136.13 (ii) Effective October 1, 2003, for a person who is eligible under subdivision 3,  
 136.14 paragraph (a), clause (2), item (ii), general assistance medical care coverage is limited  
 136.15 to inpatient hospital services, including physician services provided during the inpatient  
 136.16 hospital stay. A \$1,000 deductible is required for each inpatient hospitalization.

136.17 (b) Effective August 1, 2005, sex reassignment surgery is not covered under this  
 136.18 subdivision.

136.19 (c) In order to contain costs, the commissioner of human services shall select  
 136.20 vendors of medical care who can provide the most economical care consistent with high  
 136.21 medical standards and shall where possible contract with organizations on a prepaid  
 136.22 capitation basis to provide these services. The commissioner shall consider proposals by  
 136.23 counties and vendors for prepaid health plans, competitive bidding programs, block grants,  
 136.24 or other vendor payment mechanisms designed to provide services in an economical  
 136.25 manner or to control utilization, with safeguards to ensure that necessary services are  
 136.26 provided. Before implementing prepaid programs in counties with a county operated or  
 136.27 affiliated public teaching hospital or a hospital or clinic operated by the University of  
 136.28 Minnesota, the commissioner shall consider the risks the prepaid program creates for the  
 136.29 hospital and allow the county or hospital the opportunity to participate in the program in a  
 136.30 manner that reflects the risk of adverse selection and the nature of the patients served by  
 136.31 the hospital, provided the terms of participation in the program are competitive with the  
 136.32 terms of other participants considering the nature of the population served. Payment for  
 136.33 services provided pursuant to this subdivision shall be as provided to medical assistance  
 136.34 vendors of these services under sections 256B.02, subdivision 8, and 256B.0625. For  
 136.35 payments made during fiscal year 1990 and later years, the commissioner shall consult

137.1 with an independent actuary in establishing prepayment rates, but shall retain final control  
137.2 over the rate methodology.

137.3 (d) Recipients eligible under subdivision 3, paragraph (a), shall pay the following  
137.4 co-payments for services provided on or after October 1, 2003:

137.5 (1) \$25 for eyeglasses;

137.6 (2) \$25 for nonemergency visits to a hospital-based emergency room;

137.7 (3) \$3 per brand-name drug prescription and \$1 per generic drug prescription,  
137.8 subject to a \$12 per month maximum for prescription drug co-payments. No co-payments  
137.9 shall apply to antipsychotic drugs when used for the treatment of mental illness; and

137.10 (4) 50 percent coinsurance on restorative dental services.

137.11 (e) Co-payments shall be limited to one per day per provider for nonpreventive visits,  
137.12 eyeglasses, and nonemergency visits to a hospital-based emergency room. Recipients of  
137.13 general assistance medical care are responsible for all co-payments in this subdivision.

137.14 The general assistance medical care reimbursement to the provider shall be reduced by  
137.15 the amount of the co-payment, except that reimbursement for prescription drugs shall not  
137.16 be reduced once a recipient has reached the \$12 per month maximum for prescription  
137.17 drug co-payments. The provider collects the co-payment from the recipient. Providers  
137.18 may not deny services to recipients who are unable to pay the co-payment, except as  
137.19 provided in paragraph (f).

137.20 (f) If it is the routine business practice of a provider to refuse service to an individual  
137.21 with uncollected debt, the provider may include uncollected co-payments under this  
137.22 section. A provider must give advance notice to a recipient with uncollected debt before  
137.23 services can be denied.

137.24 (g) Any county may, from its own resources, provide medical payments for which  
137.25 state payments are not made.

137.26 (h) Chemical dependency services that are reimbursed under chapter 254B must not  
137.27 be reimbursed under general assistance medical care.

137.28 (i) The maximum payment for new vendors enrolled in the general assistance  
137.29 medical care program after the base year shall be determined from the average usual and  
137.30 customary charge of the same vendor type enrolled in the base year.

137.31 (j) The conditions of payment for services under this subdivision are the same as the  
137.32 conditions specified in rules adopted under chapter 256B governing the medical assistance  
137.33 program, unless otherwise provided by statute or rule.

137.34 (k) Inpatient and outpatient payments shall be reduced by five percent, effective July  
137.35 1, 2003. This reduction is in addition to the five percent reduction effective July 1, 2003,  
137.36 and incorporated by reference in paragraph (i).

138.1 (l) Payments for all other health services except inpatient, outpatient, and pharmacy  
138.2 services shall be reduced by five percent, effective July 1, 2003.

138.3 (m) Payments to managed care plans shall be reduced by five percent for services  
138.4 provided on or after October 1, 2003.

138.5 (n) A hospital receiving a reduced payment as a result of this section may apply the  
138.6 unpaid balance toward satisfaction of the hospital's bad debts.

138.7 (o) Fee-for-service payments for nonpreventive visits shall be reduced by \$3  
138.8 for services provided on or after January 1, 2006. For purposes of this subdivision, a  
138.9 visit means an episode of service which is required because of a recipient's symptoms,  
138.10 diagnosis, or established illness, and which is delivered in an ambulatory setting by  
138.11 a physician or physician ancillary, chiropractor, podiatrist, advance practice nurse,  
138.12 audiologist, optician, or optometrist.

138.13 (p) Payments to managed care plans shall not be increased as a result of the removal  
138.14 of the \$3 nonpreventive visit co-payment effective January 1, 2006.

138.15 (q) Payments for mental health services added as covered benefits after December  
138.16 31, 2007, are not subject to the reductions in paragraphs (i), (k), (l), and (m).

138.17 **EFFECTIVE DATE.** This section is effective January 1, 2008, except mental  
138.18 health case management under paragraph (a)(i)(15) is effective January 1, 2009.

138.19 Sec. 16. Minnesota Statutes 2006, section 256L.03, subdivision 1, is amended to read:

138.20 Subdivision 1. **Covered health services.** For individuals under section 256L.04,  
138.21 subdivision 7, with income no greater than 75 percent of the federal poverty guidelines  
138.22 or for families with children under section 256L.04, subdivision 1, all subdivisions of  
138.23 this section apply. "Covered health services" means the health services reimbursed  
138.24 under chapter 256B, with the exception of inpatient hospital services, special education  
138.25 services, private duty nursing services, adult dental care services other than services  
138.26 covered under section 256B.0625, subdivision 9, orthodontic services, nonemergency  
138.27 medical transportation services, personal care assistant and case management services,  
138.28 nursing home or intermediate care facilities services, inpatient mental health services,  
138.29 and chemical dependency services. ~~Outpatient mental health services covered under the~~  
138.30 ~~MinnesotaCare program are limited to diagnostic assessments, psychological testing,~~  
138.31 ~~explanation of findings, mental health telemedicine, psychiatric consultation, medication~~  
138.32 ~~management by a physician, day treatment, partial hospitalization, and individual, family,~~  
138.33 ~~and group psychotherapy.~~

138.34 No public funds shall be used for coverage of abortion under MinnesotaCare  
138.35 except where the life of the female would be endangered or substantial and irreversible

139.1 impairment of a major bodily function would result if the fetus were carried to term; or  
 139.2 where the pregnancy is the result of rape or incest.

139.3 Covered health services shall be expanded as provided in this section.

139.4 **EFFECTIVE DATE.** This section is effective January 1, 2008, except coverage for  
 139.5 mental health case management under subdivision 1 is effective January 1, 2009.

139.6 Sec. 17. Minnesota Statutes 2006, section 256L.035, is amended to read:

139.7 **256L.035 LIMITED BENEFITS COVERAGE FOR CERTAIN SINGLE**  
 139.8 **ADULTS AND HOUSEHOLDS WITHOUT CHILDREN.**

139.9 (a) "Covered health services" for individuals under section 256L.04, subdivision  
 139.10 7, with income above 75 percent, but not exceeding 175 percent, of the federal poverty  
 139.11 guideline means:

139.12 (1) inpatient hospitalization benefits with a ten percent co-payment up to \$1,000 and  
 139.13 subject to an annual limitation of \$10,000;

139.14 (2) physician services provided during an inpatient stay; and

139.15 (3) physician services not provided during an inpatient stay; outpatient hospital  
 139.16 services; freestanding ambulatory surgical center services; chiropractic services; lab and  
 139.17 diagnostic services; diabetic supplies and equipment; mental health services as covered  
 139.18 under chapter 256B; and prescription drugs; subject to the following co-payments:

139.19 (i) \$50 co-pay per emergency room visit;

139.20 (ii) \$3 co-pay per prescription drug; and

139.21 (iii) \$5 co-pay per nonpreventive visit.

139.22 The services covered under this section may be provided by a physician, physician  
 139.23 ancillary, chiropractor, psychologist, ~~or~~ licensed independent clinical social worker, or  
 139.24 other mental health providers covered under chapter 256B if the services are within the  
 139.25 scope of practice of that health care professional.

139.26 For purposes of this section, "a visit" means an episode of service which is required  
 139.27 because of a recipient's symptoms, diagnosis, or established illness, and which is delivered  
 139.28 in an ambulatory setting by any health care provider identified in this paragraph.

139.29 Enrollees are responsible for all co-payments in this section.

139.30 (b) Reimbursement to the providers shall be reduced by the amount of the  
 139.31 co-payment, except that reimbursement for prescription drugs shall not be reduced once a  
 139.32 recipient has reached the \$20 per month maximum for prescription drug co-payments.

139.33 The provider collects the co-payment from the recipient. Providers may not deny services  
 139.34 to recipients who are unable to pay the co-payment, except as provided in paragraph (c).

140.1 (c) If it is the routine business practice of a provider to refuse service to an individual  
 140.2 with uncollected debt, the provider may include uncollected co-payments under this  
 140.3 section. A provider must give advance notice to a recipient with uncollected debt before  
 140.4 services can be denied.

140.5 **EFFECTIVE DATE.** This section is effective January 1, 2008, except coverage  
 140.6 for mental health case management under paragraph (a), clause (3), is effective January  
 140.7 1, 2009.

140.8 Sec. 18. Minnesota Statutes 2006, section 256L.12, subdivision 9a, is amended to read:

140.9 Subd. 9a. **Rate setting; ratable reduction.** For services rendered on or after  
 140.10 October 1, 2003, the total payment made to managed care plans under the MinnesotaCare  
 140.11 program is reduced 1.0 percent. This provision excludes payments for mental health  
 140.12 services added as covered benefits after December 31, 2007.

140.13 Sec. 19. Minnesota Statutes 2006, section 609.115, subdivision 9, is amended to read:

140.14 Subd. 9. **Compulsive gambling assessment required.** (a) If a person is convicted  
 140.15 of theft under section 609.52, embezzlement of public funds under section 609.54, or  
 140.16 forgery under section 609.625, 609.63, or 609.631, the probation officer shall determine in  
 140.17 the report prepared under subdivision 1 whether or not compulsive gambling contributed  
 140.18 to the commission of the offense. If so, the report shall contain the results of a compulsive  
 140.19 gambling assessment conducted in accordance with this subdivision. The probation officer  
 140.20 shall make an appointment for the offender to undergo the assessment if so indicated.

140.21 (b) The compulsive gambling assessment report must include a recommended level  
 140.22 of treatment for the offender if the assessor concludes that the offender is in need of  
 140.23 compulsive gambling treatment. The assessment must be conducted by an assessor  
 140.24 qualified either under section 245.98, subdivision 2a Minnesota Rules, part 9585.0040,  
 140.25 subpart 1, item C, or qualifications determined to be equivalent by the commissioner, to  
 140.26 perform these assessments or to provide compulsive gambling treatment. An assessor  
 140.27 providing a compulsive gambling assessment may not have any direct or shared financial  
 140.28 interest or referral relationship resulting in shared financial gain with a treatment provider.  
 140.29 If an independent assessor is not available, the probation officer may use the services of an  
 140.30 assessor with a financial interest or referral relationship as authorized under rules adopted  
 140.31 by the commissioner of human services under section 245.98, subdivision 2a.

140.32 (c) The commissioner of human services shall reimburse the assessor for ~~the costs~~  
 140.33 ~~associated with a each~~ compulsive gambling assessment at a rate established by the  
 140.34 commissioner ~~up to a maximum of \$100 for each assessment.~~ The commissioner shall

141.1 reimburse ~~these costs~~ the assessor after receiving written verification from the probation  
 141.2 officer that the assessment was performed and found acceptable.

141.3 Sec. 20. Laws 2005, chapter 98, article 3, section 25, is amended to read:

141.4 Sec. 25. **REPEALER.**

141.5 Minnesota Statutes 2004, sections 245.713, ~~subdivisions 2 and~~ subdivision 4;  
 141.6 245.716; and 626.5551, subdivision 4, are repealed.

141.7 **EFFECTIVE DATE.** This section is effective retroactively from August 1, 2005.

141.8 Sec. 21. **REVISOR'S INSTRUCTION.**

141.9 (a) In the next edition of Minnesota Statutes, the revisor of statutes shall change the  
 141.10 references to sections "245.487 to 245.4887" wherever it appears in statutes or rules to  
 141.11 sections "245.487 to 245.4889."

141.12 (b) The revisor of statutes shall correct all internal references that are necessary  
 141.13 from the relettering in section 8.

141.14 Sec. 22. **REPEALER.**

141.15 Minnesota Rules, part 9585.0030, is repealed.

## 141.16 **ARTICLE 9**

### 141.17 **DEPARTMENT OF HEALTH**

141.18 Section 1. Minnesota Statutes 2006, section 13.46, subdivision 2, is amended to read:

141.19 Subd. 2. **General.** (a) Unless the data is summary data or a statute specifically  
 141.20 provides a different classification, data on individuals collected, maintained, used, or  
 141.21 disseminated by the welfare system is private data on individuals, and shall not be  
 141.22 disclosed except:

141.23 (1) according to section 13.05;

141.24 (2) according to court order;

141.25 (3) according to a statute specifically authorizing access to the private data;

141.26 (4) to an agent of the welfare system, including a law enforcement person, attorney,  
 141.27 or investigator acting for it in the investigation or prosecution of a criminal or civil  
 141.28 proceeding relating to the administration of a program;

141.29 (5) to personnel of the welfare system who require the data to verify an individual's  
 141.30 identity; determine eligibility, amount of assistance, and the need to provide services to

142.1 an individual or family across programs; evaluate the effectiveness of programs; and  
142.2 investigate suspected fraud;

142.3 (6) to administer federal funds or programs;

142.4 (7) between personnel of the welfare system working in the same program;

142.5 (8) to the Department of Revenue to administer and evaluate tax refund or tax credit  
142.6 programs and to identify individuals who may benefit from these programs. The following  
142.7 information may be disclosed under this paragraph: an individual's and their dependent's  
142.8 names, dates of birth, Social Security numbers, income, addresses, and other data as  
142.9 required, upon request by the Department of Revenue. Disclosures by the commissioner  
142.10 of revenue to the commissioner of human services for the purposes described in this clause  
142.11 are governed by section 270B.14, subdivision 1. Tax refund or tax credit programs include,  
142.12 but are not limited to, the dependent care credit under section 290.067, the Minnesota  
142.13 working family credit under section 290.0671, the property tax refund and rental credit  
142.14 under section 290A.04, and the Minnesota education credit under section 290.0674;

142.15 (9) between the Department of Human Services, the Department of Education, and  
142.16 the Department of Employment and Economic Development for the purpose of monitoring  
142.17 the eligibility of the data subject for unemployment benefits, for any employment or  
142.18 training program administered, supervised, or certified by that agency, for the purpose of  
142.19 administering any rehabilitation program or child care assistance program, whether alone  
142.20 or in conjunction with the welfare system, or to monitor and evaluate the Minnesota  
142.21 family investment program by exchanging data on recipients and former recipients of food  
142.22 support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance  
142.23 under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

142.24 (10) to appropriate parties in connection with an emergency if knowledge of  
142.25 the information is necessary to protect the health or safety of the individual or other  
142.26 individuals or persons;

142.27 (11) data maintained by residential programs as defined in section 245A.02 may  
142.28 be disclosed to the protection and advocacy system established in this state according  
142.29 to Part C of Public Law 98-527 to protect the legal and human rights of persons with  
142.30 developmental disabilities or other related conditions who live in residential facilities for  
142.31 these persons if the protection and advocacy system receives a complaint by or on behalf  
142.32 of that person and the person does not have a legal guardian or the state or a designee of  
142.33 the state is the legal guardian of the person;

142.34 (12) to the county medical examiner or the county coroner for identifying or locating  
142.35 relatives or friends of a deceased person;

143.1 (13) data on a child support obligor who makes payments to the public agency  
143.2 may be disclosed to the Minnesota Office of Higher Education to the extent necessary to  
143.3 determine eligibility under section 136A.121, subdivision 2, clause (5);

143.4 (14) participant Social Security numbers and names collected by the telephone  
143.5 assistance program may be disclosed to the Department of Revenue to conduct an  
143.6 electronic data match with the property tax refund database to determine eligibility under  
143.7 section 237.70, subdivision 4a;

143.8 (15) the current address of a Minnesota family investment program participant  
143.9 may be disclosed to law enforcement officers who provide the name of the participant  
143.10 and notify the agency that:

143.11 (i) the participant:

143.12 (A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after  
143.13 conviction, for a crime or attempt to commit a crime that is a felony under the laws of the  
143.14 jurisdiction from which the individual is fleeing; or

143.15 (B) is violating a condition of probation or parole imposed under state or federal law;

143.16 (ii) the location or apprehension of the felon is within the law enforcement officer's  
143.17 official duties; and

143.18 (iii) the request is made in writing and in the proper exercise of those duties;

143.19 (16) the current address of a recipient of general assistance or general assistance  
143.20 medical care may be disclosed to probation officers and corrections agents who are  
143.21 supervising the recipient and to law enforcement officers who are investigating the  
143.22 recipient in connection with a felony level offense;

143.23 (17) information obtained from food support applicant or recipient households may  
143.24 be disclosed to local, state, or federal law enforcement officials, upon their written request,  
143.25 for the purpose of investigating an alleged violation of the Food Stamp Act, according  
143.26 to Code of Federal Regulations, title 7, section 272.1(c);

143.27 (18) the address, Social Security number, and, if available, photograph of any  
143.28 member of a household receiving food support shall be made available, on request, to a  
143.29 local, state, or federal law enforcement officer if the officer furnishes the agency with the  
143.30 name of the member and notifies the agency that:

143.31 (i) the member:

143.32 (A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a  
143.33 crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

143.34 (B) is violating a condition of probation or parole imposed under state or federal  
143.35 law; or

144.1 (C) has information that is necessary for the officer to conduct an official duty related  
144.2 to conduct described in subitem (A) or (B);

144.3 (ii) locating or apprehending the member is within the officer's official duties; and

144.4 (iii) the request is made in writing and in the proper exercise of the officer's official  
144.5 duty;

144.6 (19) the current address of a recipient of Minnesota family investment program,  
144.7 general assistance, general assistance medical care, or food support may be disclosed to  
144.8 law enforcement officers who, in writing, provide the name of the recipient and notify the  
144.9 agency that the recipient is a person required to register under section 243.166, but is not  
144.10 residing at the address at which the recipient is registered under section 243.166;

144.11 (20) certain information regarding child support obligors who are in arrears may be  
144.12 made public according to section 518A.74;

144.13 (21) data on child support payments made by a child support obligor and data on  
144.14 the distribution of those payments excluding identifying information on obligees may be  
144.15 disclosed to all obligees to whom the obligor owes support, and data on the enforcement  
144.16 actions undertaken by the public authority, the status of those actions, and data on the  
144.17 income of the obligor or obligee may be disclosed to the other party;

144.18 (22) data in the work reporting system may be disclosed under section 256.998,  
144.19 subdivision 7;

144.20 (23) to the Department of Education for the purpose of matching Department of  
144.21 Education student data with public assistance data to determine students eligible for free  
144.22 and reduced price meals, meal supplements, and free milk according to United States  
144.23 Code, title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and  
144.24 state funds that are distributed based on income of the student's family; and to verify  
144.25 receipt of energy assistance for the telephone assistance plan;

144.26 (24) the current address and telephone number of program recipients and emergency  
144.27 contacts may be released to the commissioner of health or a local board of health as  
144.28 defined in section 145A.02, subdivision 2, when the commissioner or local board of health  
144.29 has reason to believe that a program recipient is a disease case, carrier, suspect case, or at  
144.30 risk of illness, and the data are necessary to locate the person;

144.31 (25) to other state agencies, statewide systems, and political subdivisions of this  
144.32 state, including the attorney general, and agencies of other states, interstate information  
144.33 networks, federal agencies, and other entities as required by federal regulation or law for  
144.34 the administration of the child support enforcement program;

145.1 (26) to personnel of public assistance programs as defined in section 256.741, for  
 145.2 access to the child support system database for the purpose of administration, including  
 145.3 monitoring and evaluation of those public assistance programs;

145.4 (27) to monitor and evaluate the Minnesota family investment program by  
 145.5 exchanging data between the Departments of Human Services and Education, on  
 145.6 recipients and former recipients of food support, cash assistance under chapter 256, 256D,  
 145.7 256J, or 256K, child care assistance under chapter 119B, or medical programs under  
 145.8 chapter 256B, 256D, or 256L;

145.9 (28) to evaluate child support program performance and to identify and prevent  
 145.10 fraud in the child support program by exchanging data between the Department of Human  
 145.11 Services, Department of Revenue under section 270B.14, subdivision 1, paragraphs (a)  
 145.12 and (b), without regard to the limitation of use in paragraph (c), Department of Health,  
 145.13 Department of Employment and Economic Development, and other state agencies as is  
 145.14 reasonably necessary to perform these functions; ~~or~~

145.15 (29) counties operating child care assistance programs under chapter 119B may  
 145.16 disseminate data on program participants, applicants, and providers to the commissioner  
 145.17 of education; or

145.18 (30) pursuant to section 256L.02, subdivision 6, between the welfare system and  
 145.19 the Minnesota Health Insurance Exchange, under section 62A.67, in order to enroll and  
 145.20 collect premiums from individuals in the MinnesotaCare program under chapter 256L and  
 145.21 to administer the individual's and their families' participation in the program.

145.22 (b) Information on persons who have been treated for drug or alcohol abuse may  
 145.23 only be disclosed according to the requirements of Code of Federal Regulations, title  
 145.24 42, sections 2.1 to 2.67.

145.25 (c) Data provided to law enforcement agencies under paragraph (a), clause (15),  
 145.26 (16), (17), or (18), or paragraph (b), are investigative data and are confidential or protected  
 145.27 nonpublic while the investigation is active. The data are private after the investigation  
 145.28 becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

145.29 (d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but is  
 145.30 not subject to the access provisions of subdivision 10, paragraph (b).

145.31 For the purposes of this subdivision, a request will be deemed to be made in writing  
 145.32 if made through a computer interface system.

145.33 **Sec. 2. [62A.67] MINNESOTA HEALTH INSURANCE EXCHANGE.**

145.34 **Subdivision 1. Title; citation.** This section may be cited as the "Minnesota Health  
 145.35 Insurance Exchange."

146.1 Subd. 2. **Creation; tax exemption.** The Minnesota Health Insurance Exchange  
 146.2 is created for the limited purpose of providing individuals with greater access, choice,  
 146.3 portability, and affordability of health insurance products. The Minnesota Health  
 146.4 Insurance Exchange is a not-for-profit corporation under chapter 317A and section 501(c)  
 146.5 of the Internal Revenue Code.

146.6 Subd. 3. **Definitions.** The following terms have the meanings given them unless  
 146.7 otherwise provided in text.

146.8 (a) "Board" means the board of directors of the Minnesota Health Insurance  
 146.9 Exchange under subdivision 13.

146.10 (b) "Commissioner" means:

146.11 (1) the commissioner of commerce for health insurers subject to the jurisdiction  
 146.12 of the Department of Commerce;

146.13 (2) the commissioner of health for health insurers subject to the jurisdiction of the  
 146.14 Department of Health; or

146.15 (3) either commissioner's designated representative.

146.16 (c) "Exchange" means the Minnesota Health Insurance Exchange.

146.17 (d) "HIPAA" means the Health Insurance Portability and Accountability Act of 1996.

146.18 (e) "Individual market health plans," unless otherwise specified, means individual  
 146.19 market health plans defined in section 62A.011 and MinnesotaCare II products as defined  
 146.20 in chapter 256L.

146.21 (f) "Section 125 Plan" means a Premium Only Plan under section 125 of the Internal  
 146.22 Revenue Code.

146.23 Subd. 4. **Insurer and health plan participation.** All health plans as defined  
 146.24 in section 62A.011, subdivision 3, issued or renewed in the individual market shall  
 146.25 participate in the exchange. No health plans in the individual market may be issued  
 146.26 or renewed outside of the exchange. Group health plans as defined in section 62A.10  
 146.27 shall not be offered through the exchange. Health plans offered through the Minnesota  
 146.28 Comprehensive Health Association as defined in section 62E.10 are offered through the  
 146.29 exchange to eligible enrollees as determined by the Minnesota Comprehensive Health  
 146.30 Association. Health plans offered through MinnesotaCare and MinnesotaCare II under  
 146.31 chapter 256L are offered through the exchange to eligible enrollees as determined by the  
 146.32 commissioner of human services.

146.33 Subd. 5. **Approval of health plans.** No health plan may be offered through the  
 146.34 exchange unless the commissioner has first certified that:

146.35 (1) the insurer seeking to offer the health plan is licensed to issue health insurance in  
 146.36 the state; and

147.1 (2) the health plan meets the requirements of this section, and the health plan and the  
147.2 insurer are in compliance with all other applicable health insurance laws.

147.3 Subd. 6. **Individual market health plans.** Individual market health plans offered  
147.4 through the exchange continue to be regulated by the commissioner as specified in  
147.5 chapters 62A, 62C, 62D, 62E, 62Q, and 72A, and must include the following provisions  
147.6 that apply to all health plans issued or renewed through the exchange:

147.7 (1) premiums for children under the age of 19 shall not vary by age in the exchange;  
147.8 and

147.9 (2) premiums for children under the age of 19 must be excluded from rating factors  
147.10 requirements under section 62A.65, subdivision 3, paragraph (b).

147.11 Subd. 7. **MinnesotaCare II health plans.** Health plans approved for MinnesotaCare  
147.12 II under section 256L.075 shall be offered by participating insurers to exchange  
147.13 participants not enrolled in MinnesotaCare II.

147.14 Subd. 8. **Individual participation and eligibility.** Individuals are eligible to  
147.15 purchase health plans directly through the exchange or through an employer Section  
147.16 125 Plan under section 62A.68. Nothing in this section requires guaranteed issue of  
147.17 individual market health plans offered through the exchange. Individuals are eligible to  
147.18 purchase individual market health plans through the exchange by meeting one or more  
147.19 of the following qualifications:

147.20 (1) the individual is a Minnesota resident, meaning the individual is physically  
147.21 residing on a permanent basis in a place that is the person's principal residence and from  
147.22 which the person is absent only for temporary purposes;

147.23 (2) the individual is a student attending an institution outside of Minnesota and  
147.24 maintains Minnesota residency;

147.25 (3) the individual is not a Minnesota resident but is employed by an employer  
147.26 physically located within the state and the individual's employer does not offer a group  
147.27 health insurance plan as defined in section 62A.10, but does offer a Section 125 Plan  
147.28 through the exchange under section 62A.68;

147.29 (4) the individual is not a Minnesota resident but is self-employed and the  
147.30 individual's principal place of business is in the state; or

147.31 (5) the individual is a dependent as defined in section 62L.02, of another individual  
147.32 who is eligible to participate in the exchange.

147.33 Subd. 9. **Continuation of coverage.** Enrollment in a health plan may be canceled  
147.34 for nonpayment of premiums, fraud, or changes in eligibility for MinnesotaCare under  
147.35 chapter 256L. Enrollment in an individual market health plan may not be canceled or  
147.36 renewed because of any change in employer or employment status, marital status, health

148.1 status, age, residence, or any other change that does not affect eligibility as defined  
148.2 in this section.

148.3 Subd. 10. **Responsibilities of the exchange.** The exchange shall serve as the sole  
148.4 entity for enrollment and collection and transfer of premium payments for health plans  
148.5 offered through the exchange. The exchange shall be responsible for the following  
148.6 functions:

148.7 (1) publicize the exchange, including but not limited to its functions, eligibility  
148.8 rules, and enrollment procedures;

148.9 (2) provide assistance to employers to set up an employer Section 125 Plan under  
148.10 section 62A.68;

148.11 (3) create a system to allow individuals to compare and enroll in health plans offered  
148.12 through the exchange;

148.13 (4) create a system to collect and transmit to the applicable plans all premium  
148.14 payments or contributions made by or on behalf of individuals, including developing  
148.15 mechanisms to receive and process automatic payroll deductions for individuals enrolled  
148.16 in employer Section 125 Plans;

148.17 (5) refer individuals interested in MinnesotaCare or MinnesotaCare II under chapter  
148.18 256L to the Department of Human Services to determine eligibility;

148.19 (6) establish a mechanism with the Department of Human Services to transfer  
148.20 premiums and subsidies for MinnesotaCare and MinnesotaCare II to qualify for federal  
148.21 matching payments;

148.22 (7) administer bonus accounts as defined in chapter 256L to reimburse  
148.23 MinnesotaCare II enrollees for qualified medical expenses under section 213(d) of the  
148.24 Internal Revenue Code;

148.25 (8) collect and assess information for eligibility for bonus accounts and premium  
148.26 incentives under chapter 256L;

148.27 (9) upon request, issue certificates of previous coverage according to the provisions  
148.28 of HIPAA and as referenced in section 62Q.181 to all such individuals who cease to be  
148.29 covered by a participating health plan through the exchange;

148.30 (10) establish procedures to account for all funds received and disbursed by the  
148.31 exchange for individual participants of the exchange; and

148.32 (11) make available to the public, at the end of each calendar year, a report of an  
148.33 independent audit of the exchange's accounts.

148.34 Subd. 11. **Powers of the exchange.** The exchange shall have the power to:

149.1 (1) contract with insurance producers licensed in accident and health insurance  
 149.2 under chapter 60K and vendors to perform one or more of the functions specified in  
 149.3 subdivision 10;

149.4 (2) contract with employers to act as the plan administrator for participating  
 149.5 employer Section 125 Plans and to undertake the obligations required by federal law  
 149.6 of a plan administrator;

149.7 (3) establish and assess fees on health plan premiums of health plans purchased  
 149.8 through the exchange to fund the cost of administering the exchange;

149.9 (4) seek and directly receive grant funding from government agencies or private  
 149.10 philanthropic organizations to defray the costs of operating the exchange;

149.11 (5) establish and administer rules and procedures governing the operations of the  
 149.12 exchange;

149.13 (6) establish one or more service centers within Minnesota;

149.14 (7) sue or be sued or otherwise take any necessary or proper legal action;

149.15 (8) establish bank accounts and borrow money; and

149.16 (9) enter into agreements with the commissioners of commerce, health, human  
 149.17 services, revenue, employment and economic development, and other state agencies as  
 149.18 necessary for the exchange to implement the provisions of this section.

149.19 Subd. 12. **Dispute resolution.** The exchange shall establish procedures for  
 149.20 resolving disputes with respect to the eligibility of an individual to participate in the  
 149.21 exchange. The exchange does not have the authority or responsibility to intervene in or  
 149.22 resolve disputes between an individual and a health plan or health insurer. The exchange  
 149.23 shall refer complaints from individuals participating in the exchange to the commissioner  
 149.24 of human services to be resolved according to sections 62Q.68 to 62Q.73.

149.25 Subd. 13. **Governance.** The exchange shall be governed by a board of directors  
 149.26 with 11 members. The board shall convene on or before July 1, 2007, after the initial board  
 149.27 members have been selected. The initial board membership consists of the following:

149.28 (1) the commissioner of commerce;

149.29 (2) the commissioner of human services;

149.30 (3) the commissioner of health;

149.31 (4) four members appointed by a joint committee of the Minnesota senate and the  
 149.32 Minnesota house of representatives to serve three-year terms; and

149.33 (5) four members appointed by the governor to serve three-year terms.

149.34 Subd. 14. **Subsequent board membership.** Ongoing membership of the exchange  
 149.35 consists of the following effective July 1, 2010:

149.36 (1) the commissioner of commerce;

150.1 (2) the commissioner of human services;

150.2 (3) the commissioner of health;

150.3 (4) four members appointed by the governor with the approval of a joint committee  
 150.4 of the senate and house of representatives to serve two- or three-year terms. Appointed  
 150.5 members may serve more than one term; and

150.6 (5) four members elected by the membership of the exchange of which two are  
 150.7 elected to serve a two-year term and two are elected to serve a three-year term. Elected  
 150.8 members may serve more than one term.

150.9 Subd. 15. **Operations of the board.** Officers of the board of directors are elected by  
 150.10 members of the board and serve one-year terms. Six members of the board constitutes a  
 150.11 quorum, and the affirmative vote of six members of the board is necessary and sufficient  
 150.12 for any action taken by the board. Board members serve without pay, but are reimbursed  
 150.13 for actual expenses incurred in the performance of their duties.

150.14 Subd. 16. **Operations of the exchange.** The board of directors shall appoint an  
 150.15 exchange director who shall:

150.16 (1) be a full-time employee of the exchange;

150.17 (2) administer all of the activities and contracts of the exchange; and

150.18 (3) hire and supervise the staff of the exchange.

150.19 Subd. 17. **Insurance producers.** When a producer licensed in accident and health  
 150.20 insurance under chapter 60K enrolls an eligible individual in the exchange, the health plan  
 150.21 chosen by an individual may pay the producer a commission.

150.22 Subd. 18. **Implementation.** Health plan coverage through the exchange begins on  
 150.23 January 1, 2009. The exchange must be operational to assist employers and individuals  
 150.24 by September 1, 2008, and be prepared for enrollment by December 1, 2008. Enrollees  
 150.25 of individual market health plans, MinnesotaCare, and the Minnesota Comprehensive  
 150.26 Health Association as of December 2, 2008, are automatically enrolled in the exchange  
 150.27 on January 1, 2009, in the same health plan and at the same premium that they were  
 150.28 enrolled as of December 2, 2008, subject to the provisions of this section. As of January 1,  
 150.29 2009, all enrollees of individual market health plans, MinnesotaCare, and the Minnesota  
 150.30 Comprehensive Health Association shall make premium payments to the exchange.

150.31 Subd. 19. **Study of insurer issue requirements.** In consultation with  
 150.32 the commissioners of commerce and health, the exchange shall study and make  
 150.33 recommendations on rating requirements and risk adjustment mechanisms that could  
 150.34 be implemented to facilitate increased enrollment in the exchange by employers and  
 150.35 employees through employer Section 125 Plans. The exchange shall report study findings

151.1 and recommendations to the chairs of house and senate committees having jurisdiction  
 151.2 over commerce and health by January 15, 2011.

151.3 **Sec. 3. [62A.68] SECTION 125 PLANS.**

151.4 Subdivision 1. **Definitions.** The following terms have the meanings given unless  
 151.5 otherwise provided in text:

151.6 (a) "Current employee" means an employee currently on an employer's payroll other  
 151.7 than a retiree or disabled former employee.

151.8 (b) "Employer" means a person, firm, corporation, partnership, association, business  
 151.9 trust, or other entity employing one or more persons, including a political subdivision of  
 151.10 the state, filing payroll tax information on such employed person or persons.

151.11 (c) "Section 125 Plan" means a Premium Only Plan under section 125 of the Internal  
 151.12 Revenue Code.

151.13 (d) "Exchange" means the Minnesota Health Insurance Exchange under section  
 151.14 62A.67.

151.15 (e) "Exchange director" means the appointed director under section 62A.67,  
 151.16 subdivision 16.

151.17 Subd. 2. **Section 125 Plan requirement.** Effective January 1, 2009, all employers  
 151.18 with 11 or more current employees shall offer a Section 125 Plan through the exchange  
 151.19 to allow their employees to pay for health insurance premiums with pretax dollars. The  
 151.20 following employers are exempt from the Section 125 Plan requirement:

151.21 (1) employers that offer a group health insurance plan as defined in 62A.10;

151.22 (2) employers that offer group health insurance through a self-insured plan as  
 151.23 defined in section 62E.02; and

151.24 (3) employers with fewer than 11 current employees, except that employers under  
 151.25 this clause may voluntarily offer a Section 125 Plan.

151.26 Subd. 3. **Tracking compliance.** By July 1, 2008, the exchange, in consultation with  
 151.27 the commissioners of commerce, health, employment and economic development, and  
 151.28 revenue shall establish a method for tracking employer compliance with the Section 125  
 151.29 Plan requirement.

151.30 Subd. 4. **Employer requirements.** Employers that are required to offer or choose  
 151.31 to offer a Section 125 Plan through the exchange shall enter into an annual binding  
 151.32 agreement with the exchange, which includes the terms in paragraphs (a) to (h).

151.33 (a) The employer shall designate the exchange director to be the plan's administrator  
 151.34 for the employer's plan and the exchange director agrees to undertake the obligations  
 151.35 required of a plan administrator under federal law.

152.1 (b) Only the coverage and benefits offered by participating insurers in the exchange  
 152.2 constitutes the coverage and benefits of the participating employer plan.

152.3 (c) Any individual eligible to participate in the exchange may elect coverage under  
 152.4 any participating health plan for which they are eligible, and neither the employer nor  
 152.5 the exchange shall limit choice of coverage from among all the participating insurance  
 152.6 plans for which the individual is eligible.

152.7 (d) The employer shall deduct premium amounts on a pretax basis in an amount  
 152.8 not to exceed an employee's wages and make payments to the exchange as directed by  
 152.9 employees for health plans employees enroll in through the exchange.

152.10 (e) The employer shall not offer individuals eligible to participate in the exchange  
 152.11 any separate or competing group health plan under section 62A.10.

152.12 (f) The employer reserves the right to determine the terms and amounts of the  
 152.13 employer's contribution to the plan, if any.

152.14 (g) The employer shall make available to the exchange any of the employer's  
 152.15 documents, records, or information, including copies of the employer's federal and state  
 152.16 tax and wage reports that are necessary for the exchange to verify:

152.17 (1) that the employer is in compliance with the terms of its agreement with the  
 152.18 exchange governing the participating employer plan;

152.19 (2) that the participating employer plan is in compliance with applicable state and  
 152.20 federal laws, including those relating to nondiscrimination in coverage; and

152.21 (3) the eligibility of those individuals enrolled in the participating employer plan.

152.22 (h) The exchange shall not provide the participating employer plan with any  
 152.23 additional or different services or benefits not otherwise provided or offered to all other  
 152.24 participating employer plans.

152.25 Subd. 5. **Section 125 eligible health plans.** Individuals eligible to enroll in health  
 152.26 plans through an employer Section 125 Plan through the exchange may enroll in any  
 152.27 health plan offered through the exchange for which the individual is eligible including  
 152.28 individual market health plans, MinnesotaCare and MinnesotaCare II, and the Minnesota  
 152.29 Comprehensive Health Association.

152.30 Sec. 4. Minnesota Statutes 2006, section 62E.141, is amended to read:

152.31 **62E.141 INCLUSION IN EMPLOYER-SPONSORED PLAN.**

152.32 No employee of an employer that offers a group health plan, under which the  
 152.33 employee is eligible for coverage, is eligible to enroll, or continue to be enrolled, in  
 152.34 the comprehensive health association, except for enrollment or continued enrollment  
 152.35 necessary to cover conditions that are subject to an unexpired preexisting condition

153.1 limitation, preexisting condition exclusion, or exclusionary rider under the employer's  
 153.2 health plan. This section does not apply to persons enrolled in the Comprehensive Health  
 153.3 Association as of June 30, 1993. With respect to persons eligible to enroll in the health  
 153.4 plan of an employer that has more than 29 current employees, as defined in section  
 153.5 62L.02, this section does not apply to persons enrolled in the Comprehensive Health  
 153.6 Association as of December 31, 1994.

153.7 Sec. 5. Minnesota Statutes 2006, section 62J.692, subdivision 1, is amended to read:

153.8 Subdivision 1. **Definitions.** For purposes of this section, the following definitions  
 153.9 apply:

153.10 (a) "Accredited clinical training" means the clinical training provided by a  
 153.11 medical education program that is accredited through an organization recognized by the  
 153.12 Department of Education, the Centers for Medicare and Medicaid Services, or another  
 153.13 national body who reviews the accrediting organizations for multiple disciplines and  
 153.14 whose standards for recognizing accrediting organizations are reviewed and approved by  
 153.15 the commissioner of health in consultation with the Medical Education and Research  
 153.16 Advisory Committee.

153.17 (b) "Commissioner" means the commissioner of health.

153.18 (c) "Clinical medical education program" means the accredited clinical training of  
 153.19 physicians (medical students and residents), doctor of pharmacy practitioners, doctors  
 153.20 of chiropractic, dentists, advanced practice nurses (clinical nurse specialists, certified  
 153.21 registered nurse anesthetists, nurse practitioners, and certified nurse midwives), and  
 153.22 physician assistants.

153.23 (d) "Sponsoring institution" means a hospital, school, or consortium located in  
 153.24 Minnesota that sponsors and maintains primary organizational and financial responsibility  
 153.25 for a clinical medical education program in Minnesota and which is accountable to the  
 153.26 accrediting body.

153.27 (e) "Teaching institution" means a hospital, medical center, clinic, or other  
 153.28 organization that conducts a clinical medical education program in Minnesota.

153.29 (f) "Trainee" means a student or resident involved in a clinical medical education  
 153.30 program.

153.31 (g) "Eligible trainee FTEs" means the number of trainees, as measured by full-time  
 153.32 equivalent counts, that are at training sites located in Minnesota with a currently  
 153.33 active medical assistance provider number enrollment status and a National Provider  
 153.34 Identification (NPI) number where training occurs in either an inpatient or ambulatory  
 153.35 patient care setting and where the training is funded, in part, by patient care revenues.

154.1 Sec. 6. Minnesota Statutes 2006, section 62J.692, subdivision 4, is amended to read:

154.2 Subd. 4. **Distribution of funds.** (a) The commissioner shall annually distribute  
154.3 90 percent of ~~available medical education~~ funds transferred according to section  
154.4 256B.69, subdivision 5c, paragraph (a), clause (1), to all qualifying applicants based on a  
154.5 distribution formula that reflects a summation of two factors:

154.6 (1) an education factor, which is determined by the total number of eligible trainee  
154.7 FTEs and the total statewide average costs per trainee, by type of trainee, in each clinical  
154.8 medical education program; and

154.9 (2) a public program volume factor, which is determined by the total volume of  
154.10 public program revenue received by each training site as a percentage of all public  
154.11 program revenue received by all training sites in the fund pool.

154.12 In this formula, the education factor is weighted at 67 percent and the public program  
154.13 volume factor is weighted at 33 percent.

154.14 Public program revenue for the distribution formula includes revenue from medical  
154.15 assistance, prepaid medical assistance, general assistance medical care, and prepaid  
154.16 general assistance medical care. Training sites that receive no public program revenue  
154.17 are ineligible for funds available under this paragraph. Total statewide average costs per  
154.18 trainee for medical residents is based on audited clinical training costs per trainee in  
154.19 primary care clinical medical education programs for medical residents. Total statewide  
154.20 average costs per trainee for dental residents is based on audited clinical training costs  
154.21 per trainee in clinical medical education programs for dental students. Total statewide  
154.22 average costs per trainee for pharmacy residents is based on audited clinical training costs  
154.23 per trainee in clinical medical education programs for pharmacy students.

154.24 (b) The commissioner shall annually distribute ten percent of ~~total available medical~~  
154.25 ~~education~~ funds transferred according to section 256B.69, subdivision 5c, paragraph (a),  
154.26 clause (1), to all qualifying applicants based on the percentage received by each applicant  
154.27 under paragraph (a). These funds are to be used to offset clinical education costs at  
154.28 eligible clinical training sites based on criteria developed by the clinical medical education  
154.29 program. Applicants may choose to distribute funds allocated under this paragraph based  
154.30 on the distribution formula described in paragraph (a).

154.31 (c) The commissioner shall annually distribute \$5,000,000 of the funds dedicated  
154.32 to the commissioner under section 297F.10, subdivision 1, clause (2), plus any federal  
154.33 financial participation on these funds and on funds transferred under subdivision 10, to all  
154.34 qualifying applicants based on a distribution formula that gives 100 percent weight to a  
154.35 public program volume factor, which is determined by the total volume of public program  
154.36 revenue received by each training site as a percentage of all public program revenue

155.1 received by all training sites in the fund pool. If federal approval is not obtained for  
 155.2 federal financial participation on any portion of funds distributed under this paragraph,  
 155.3 90 percent of the unmatched funds shall be distributed by the commissioner based on  
 155.4 the formula described in paragraph (a) and ten percent of the unmatched funds shall be  
 155.5 distributed by the commissioner based on the formula described in paragraph (b).

155.6 (d) The commissioner shall annually distribute \$3,060,000 of funds dedicated to the  
 155.7 commissioner under section 297F.10, subdivision 1, clause (2), through a formula giving  
 155.8 100 percent weight to an education factor, which is determined by the total number of  
 155.9 eligible trainee full-time equivalents and the total statewide average costs per trainee, by  
 155.10 type of trainee, in each clinical medical education program. If no matching funds are  
 155.11 received on funds distributed under paragraph (c), funds distributed under this paragraph  
 155.12 shall be distributed by the commissioner based on the formula described in paragraph (a).

155.13 (e) The commissioner shall annually distribute \$340,000 of funds dedicated to the  
 155.14 commissioner under section 297F.10, subdivision 1, clause (2), to all qualifying applicants  
 155.15 based on the percentage received by each applicant under paragraph (a). These funds are  
 155.16 to be used to offset clinical education costs at eligible clinical training sites based on  
 155.17 criteria developed by the clinical medical education program. Applicants may choose to  
 155.18 distribute funds allocated under this paragraph based on the distribution formula described  
 155.19 in paragraph (a). If no matching funds are received on funds distributed under paragraph  
 155.20 (c), funds distributed under this paragraph shall be distributed by the commissioner based  
 155.21 on the formula described in paragraph (b).

155.22 ~~(e)~~ (f) Funds distributed shall not be used to displace current funding appropriations  
 155.23 from federal or state sources.

155.24 ~~(d)~~ (g) Funds shall be distributed to the sponsoring institutions indicating the amount  
 155.25 to be distributed to each of the sponsor's clinical medical education programs based on  
 155.26 the criteria in this subdivision and in accordance with the commissioner's approval letter.  
 155.27 Each clinical medical education program must distribute funds allocated under paragraph  
 155.28 (a) to the training sites as specified in the commissioner's approval letter. Sponsoring  
 155.29 institutions, which are accredited through an organization recognized by the Department  
 155.30 of Education or the Centers for Medicare and Medicaid Services, may contract directly  
 155.31 with training sites to provide clinical training. To ensure the quality of clinical training,  
 155.32 those accredited sponsoring institutions must:

155.33 (1) develop contracts specifying the terms, expectations, and outcomes of the clinical  
 155.34 training conducted at sites; and

156.1 (2) take necessary action if the contract requirements are not met. Action may  
 156.2 include the withholding of payments under this section or the removal of students from  
 156.3 the site.

156.4 ~~(e)~~ (h) Any funds not distributed in accordance with the commissioner's approval  
 156.5 letter must be returned to the medical education and research fund within 30 days of  
 156.6 receiving notice from the commissioner. The commissioner shall distribute returned funds  
 156.7 to the appropriate training sites in accordance with the commissioner's approval letter.

156.8 ~~(f)~~ (i) The commissioner shall distribute by June 30 of each year an amount equal to  
 156.9 the funds transferred under subdivision 10, ~~plus five percent interest~~ to the University of  
 156.10 Minnesota Board of Regents for the instructional costs of health professional programs  
 156.11 at the Academic Health Center and for interdisciplinary academic initiatives within the  
 156.12 Academic Health Center.

156.13 ~~(g)~~ (j) A maximum of \$150,000 of the funds dedicated to the commissioner  
 156.14 under section 297F.10, subdivision 1, ~~paragraph (b)~~, clause (2), may be used by the  
 156.15 commissioner for administrative expenses associated with implementing this section.

156.16 Sec. 7. Minnesota Statutes 2006, section 62J.692, subdivision 7a, is amended to read:

156.17 Subd. 7a. **Clinical medical education innovations grants.** (a) The commissioner  
 156.18 shall award grants to teaching institutions and clinical training sites for projects that  
 156.19 increase dental access for underserved populations and promote innovative clinical  
 156.20 training of dental professionals.

156.21 (b) The commissioner shall award grants to teaching institutions and clinical training  
 156.22 sites for projects that increase mental health access for underserved populations, promote  
 156.23 innovative clinical training of mental health professionals, increase the number of mental  
 156.24 health providers in rural or underserved areas, and promote the incorporation of patient  
 156.25 safety principles into clinical medical education programs.

156.26 (c) In awarding the grants, the commissioner, in consultation with the commissioner  
 156.27 of human services, shall consider the following:

- 156.28 (1) potential to successfully increase access to an underserved population;  
 156.29 (2) the long-term viability of the project to improve access beyond the period  
 156.30 of initial funding;  
 156.31 (3) evidence of collaboration between the applicant and local communities;  
 156.32 (4) the efficiency in the use of the funding; ~~and~~  
 156.33 (5) the priority level of the project in relation to state clinical education, access,  
 156.34 patient safety, and workforce goals; and

157.1 (6) the potential of the project to impact the number or distribution of the health  
 157.2 care workforce.

157.3 ~~(b)~~ (d) The commissioner shall periodically evaluate the priorities in awarding the  
 157.4 innovations grants in order to ensure that the priorities meet the changing workforce  
 157.5 needs of the state.

157.6 Sec. 8. Minnesota Statutes 2006, section 62J.692, subdivision 8, is amended to read:

157.7 Subd. 8. **Federal financial participation.** (a) The commissioner of human  
 157.8 services shall seek to maximize federal financial participation in payments for medical  
 157.9 education and research costs. ~~If the commissioner of human services determines that~~  
 157.10 ~~federal financial participation is available for the medical education and research, the~~  
 157.11 ~~commissioner of health shall transfer to the commissioner of human services the amount~~  
 157.12 ~~of state funds necessary to maximize the federal funds available. The amount transferred~~  
 157.13 ~~to the commissioner of human services, plus the amount of federal financial participation,~~  
 157.14 ~~shall be distributed to medical assistance providers in accordance with the distribution~~  
 157.15 ~~methodology described in subdivision 4.~~

157.16 (b) For the purposes of paragraph (a), the commissioner shall use physician clinic  
 157.17 rates where possible to maximize federal financial participation.

157.18 Sec. 9. Minnesota Statutes 2006, section 62J.692, subdivision 10, is amended to read:

157.19 Subd. 10. **Transfers from University of Minnesota.** Of the funds dedicated to the  
 157.20 Academic Health Center under section 297F.10, subdivision 1, clause (1), \$4,850,000  
 157.21 shall be transferred annually to the commissioner of health no later than April 15 of each  
 157.22 year for distribution under subdivision 4, paragraph ~~(f)~~ (i).

157.23 Sec. 10. Minnesota Statutes 2006, section 62L.12, subdivision 2, is amended to read:

157.24 Subd. 2. **Exceptions.** (a) A health carrier may sell, issue, or renew individual  
 157.25 conversion policies to eligible employees otherwise eligible for conversion coverage under  
 157.26 section 62D.104 as a result of leaving a health maintenance organization's service area.

157.27 (b) A health carrier may sell, issue, or renew individual conversion policies to  
 157.28 eligible employees otherwise eligible for conversion coverage as a result of the expiration  
 157.29 of any continuation of group coverage required under sections 62A.146, 62A.17, 62A.21,  
 157.30 62C.142, 62D.101, and 62D.105.

157.31 (c) A health carrier may sell, issue, or renew conversion policies under section  
 157.32 62E.16 to eligible employees.

158.1 (d) A health carrier may sell, issue, or renew individual continuation policies to  
158.2 eligible employees as required.

158.3 (e) A health carrier may sell, issue, or renew individual health plans if the coverage  
158.4 is appropriate due to an unexpired preexisting condition limitation or exclusion applicable  
158.5 to the person under the employer's group health plan or due to the person's need for health  
158.6 care services not covered under the employer's group health plan.

158.7 (f) A health carrier may sell, issue, or renew an individual health plan, if the  
158.8 individual has elected to buy the individual health plan not as part of a general plan to  
158.9 substitute individual health plans for a group health plan nor as a result of any violation of  
158.10 subdivision 3 or 4.

158.11 (g) Nothing in this subdivision relieves a health carrier of any obligation to provide  
158.12 continuation or conversion coverage otherwise required under federal or state law.

158.13 (h) Nothing in this chapter restricts the offer, sale, issuance, or renewal of coverage  
158.14 issued as a supplement to Medicare under sections 62A.3099 to 62A.44, or policies or  
158.15 contracts that supplement Medicare issued by health maintenance organizations, or those  
158.16 contracts governed by sections 1833, 1851 to 1859, 1860D, or 1876 of the federal Social  
158.17 Security Act, United States Code, title 42, section 1395 et seq., as amended.

158.18 (i) Nothing in this chapter restricts the offer, sale, issuance, or renewal of individual  
158.19 health plans necessary to comply with a court order.

158.20 (j) A health carrier may offer, issue, sell, or renew an individual health plan to  
158.21 persons eligible for an employer group health plan, if the individual health plan is a high  
158.22 deductible health plan for use in connection with an existing health savings account, in  
158.23 compliance with the Internal Revenue Code, section 223. In that situation, the same or  
158.24 a different health carrier may offer, issue, sell, or renew a group health plan to cover  
158.25 the other eligible employees in the group.

158.26 (k) A health carrier may offer, sell, issue, or renew an individual health plan to one  
158.27 or more employees of a small employer if the individual health plan is marketed directly to  
158.28 all employees of the small employer and the small employer does not contribute directly  
158.29 or indirectly to the premiums or facilitate the administration of the individual health plan.  
158.30 The requirement to market an individual health plan to all employees does not require the  
158.31 health carrier to offer or issue an individual health plan to any employee. For purposes  
158.32 of this paragraph, an employer is not contributing to the premiums or facilitating the  
158.33 administration of the individual health plan if the employer does not contribute to the  
158.34 premium and merely collects the premiums from an employee's wages or salary through  
158.35 payroll deductions and submits payment for the premiums of one or more employees in a  
158.36 lump sum to the health carrier. Except for coverage under section 62A.65, subdivision 5,

159.1 paragraph (b), or 62E.16, at the request of an employee, the health carrier may bill the  
 159.2 employer for the premiums payable by the employee, provided that the employer is not  
 159.3 liable for payment except from payroll deductions for that purpose. If an employer is  
 159.4 submitting payments under this paragraph, the health carrier shall provide a cancellation  
 159.5 notice directly to the primary insured at least ten days prior to termination of coverage for  
 159.6 nonpayment of premium. Individual coverage under this paragraph may be offered only  
 159.7 if the small employer has not provided coverage under section 62L.03 to the employees  
 159.8 within the past 12 months.

159.9 The employer must provide a written and signed statement to the health carrier that  
 159.10 the employer is not contributing directly or indirectly to the employee's premiums. The  
 159.11 health carrier may rely on the employer's statement and is not required to guarantee-issue  
 159.12 individual health plans to the employer's other current or future employees.

159.13 (1) Nothing in this chapter restricts the offer, sale, issuance, or renewal of individual  
 159.14 health plans through the Minnesota Health Insurance Exchange under section 62A.67  
 159.15 or 62A.68.

159.16 Sec. 11. Minnesota Statutes 2006, section 103I.101, subdivision 6, is amended to read:

159.17 Subd. 6. **Fees for variances.** The commissioner shall charge a nonrefundable  
 159.18 application fee of ~~\$175~~ \$215 to cover the administrative cost of processing a request for a  
 159.19 variance or modification of rules adopted by the commissioner under this chapter.

159.20 **EFFECTIVE DATE.** This section is effective July 1, 2008.

159.21 Sec. 12. Minnesota Statutes 2006, section 103I.208, subdivision 1, is amended to read:

159.22 Subdivision 1. **Well notification fee.** The well notification fee to be paid by a  
 159.23 property owner is:

159.24 (1) for a new water supply well, ~~\$175~~ \$215, which includes the state core function  
 159.25 fee;

159.26 (2) for a well sealing, ~~\$35~~ \$50 for each well, which includes the state core function  
 159.27 fee, except that for monitoring wells constructed on a single property, having depths  
 159.28 within a 25 foot range, and sealed within 48 hours of start of construction, a single fee of  
 159.29 ~~\$35~~ \$50; and

159.30 (3) for construction of a dewatering well, ~~\$175~~ \$215, which includes the state core  
 159.31 function fee, for each dewatering well except a dewatering project comprising five or  
 159.32 more dewatering wells shall be assessed a single fee of ~~\$875~~ \$1,075 for the dewatering  
 159.33 wells recorded on the notification.

160.1 **EFFECTIVE DATE.** This section is effective July 1, 2008.

160.2 Sec. 13. Minnesota Statutes 2006, section 103I.208, subdivision 2, is amended to read:

160.3 Subd. 2. **Permit fee.** The permit fee to be paid by a property owner is:

160.4 (1) for a water supply well that is not in use under a maintenance permit, ~~\$150~~ \$175  
160.5 annually;

160.6 (2) for construction of a monitoring well, ~~\$175~~ \$215, which includes the state  
160.7 core function fee;

160.8 (3) for a monitoring well that is unsealed under a maintenance permit, ~~\$150~~ \$175  
160.9 annually;

160.10 (4) for monitoring wells used as a leak detection device at a single motor fuel retail  
160.11 outlet, a single petroleum bulk storage site excluding tank farms, or a single agricultural  
160.12 chemical facility site, the construction permit fee is ~~\$175~~ \$215, which includes the state  
160.13 core function fee, per site regardless of the number of wells constructed on the site, and  
160.14 the annual fee for a maintenance permit for unsealed monitoring wells is ~~\$150~~ \$175 per  
160.15 site regardless of the number of monitoring wells located on site;

160.16 (5) for a groundwater thermal exchange device, in addition to the notification fee for  
160.17 water supply wells, ~~\$175~~ \$215, which includes the state core function fee;

160.18 (6) for a vertical heat exchanger, ~~\$175~~ \$215;

160.19 (7) for a dewatering well that is unsealed under a maintenance permit, ~~\$150~~ \$175  
160.20 annually for each dewatering well, except a dewatering project comprising more than five  
160.21 dewatering wells shall be issued a single permit for ~~\$750~~ \$875 annually for dewatering  
160.22 wells recorded on the permit; and

160.23 (8) for an elevator boring, ~~\$175~~ \$215 for each boring.

160.24 **EFFECTIVE DATE.** This section is effective July 1, 2008.

160.25 Sec. 14. Minnesota Statutes 2006, section 103I.235, subdivision 1, is amended to read:

160.26 Subdivision 1. **Disclosure of wells to buyer.** (a) Before signing an agreement to  
160.27 sell or transfer real property, the seller must disclose in writing to the buyer information  
160.28 about the status and location of all known wells on the property, by delivering to the buyer  
160.29 either a statement by the seller that the seller does not know of any wells on the property,  
160.30 or a disclosure statement indicating the legal description and county, and a map drawn  
160.31 from available information showing the location of each well to the extent practicable.  
160.32 In the disclosure statement, the seller must indicate, for each well, whether the well is in  
160.33 use, not in use, or sealed.

161.1 (b) At the time of closing of the sale, the disclosure statement information, name and  
161.2 mailing address of the buyer, and the quartile, section, township, and range in which each  
161.3 well is located must be provided on a well disclosure certificate signed by the seller or a  
161.4 person authorized to act on behalf of the seller.

161.5 (c) A well disclosure certificate need not be provided if the seller does not know  
161.6 of any wells on the property and the deed or other instrument of conveyance contains  
161.7 the statement: "The Seller certifies that the Seller does not know of any wells on the  
161.8 described real property."

161.9 (d) If a deed is given pursuant to a contract for deed, the well disclosure certificate  
161.10 required by this subdivision shall be signed by the buyer or a person authorized to act on  
161.11 behalf of the buyer. If the buyer knows of no wells on the property, a well disclosure  
161.12 certificate is not required if the following statement appears on the deed followed by the  
161.13 signature of the grantee or, if there is more than one grantee, the signature of at least one  
161.14 of the grantees: "The Grantee certifies that the Grantee does not know of any wells on the  
161.15 described real property." The statement and signature of the grantee may be on the front  
161.16 or back of the deed or on an attached sheet and an acknowledgment of the statement by  
161.17 the grantee is not required for the deed to be recordable.

161.18 (e) This subdivision does not apply to the sale, exchange, or transfer of real property:  
161.19 (1) that consists solely of a sale or transfer of severed mineral interests; or  
161.20 (2) that consists of an individual condominium unit as described in chapters 515  
161.21 and 515B.

161.22 (f) For an area owned in common under chapter 515 or 515B the association or other  
161.23 responsible person must report to the commissioner by July 1, 1992, the location and  
161.24 status of all wells in the common area. The association or other responsible person must  
161.25 notify the commissioner within 30 days of any change in the reported status of wells.

161.26 (g) For real property sold by the state under section 92.67, the lessee at the time of  
161.27 the sale is responsible for compliance with this subdivision.

161.28 (h) If the seller fails to provide a required well disclosure certificate, the buyer, or  
161.29 a person authorized to act on behalf of the buyer, may sign a well disclosure certificate  
161.30 based on the information provided on the disclosure statement required by this section  
161.31 or based on other available information.

161.32 (i) A county recorder or registrar of titles may not record a deed or other instrument  
161.33 of conveyance dated after October 31, 1990, for which a certificate of value is required  
161.34 under section 272.115, or any deed or other instrument of conveyance dated after October  
161.35 31, 1990, from a governmental body exempt from the payment of state deed tax, unless  
161.36 the deed or other instrument of conveyance contains the statement made in accordance

162.1 with paragraph (c) or (d) or is accompanied by the well disclosure certificate containing all  
162.2 the information required by paragraph (b) or (d). The county recorder or registrar of titles  
162.3 must not accept a certificate unless it contains all the required information. The county  
162.4 recorder or registrar of titles shall note on each deed or other instrument of conveyance  
162.5 accompanied by a well disclosure certificate that the well disclosure certificate was  
162.6 received. The notation must include the statement "No wells on property" if the disclosure  
162.7 certificate states there are no wells on the property. The well disclosure certificate shall not  
162.8 be filed or recorded in the records maintained by the county recorder or registrar of titles.  
162.9 After noting "No wells on property" on the deed or other instrument of conveyance, the  
162.10 county recorder or registrar of titles shall destroy or return to the buyer the well disclosure  
162.11 certificate. The county recorder or registrar of titles shall collect from the buyer or the  
162.12 person seeking to record a deed or other instrument of conveyance, a fee of ~~\$40~~ \$45  
162.13 for receipt of a completed well disclosure certificate. By the tenth day of each month,  
162.14 the county recorder or registrar of titles shall transmit the well disclosure certificates  
162.15 to the commissioner of health. By the tenth day after the end of each calendar quarter,  
162.16 the county recorder or registrar of titles shall transmit to the commissioner of health  
162.17 ~~\$32.50~~ \$37.50 of the fee for each well disclosure certificate received during the quarter.  
162.18 The commissioner shall maintain the well disclosure certificate for at least six years. The  
162.19 commissioner may store the certificate as an electronic image. A copy of that image  
162.20 shall be as valid as the original.

162.21 (j) No new well disclosure certificate is required under this subdivision if the buyer  
162.22 or seller, or a person authorized to act on behalf of the buyer or seller, certifies on the deed  
162.23 or other instrument of conveyance that the status and number of wells on the property  
162.24 have not changed since the last previously filed well disclosure certificate. The following  
162.25 statement, if followed by the signature of the person making the statement, is sufficient  
162.26 to comply with the certification requirement of this paragraph: "I am familiar with the  
162.27 property described in this instrument and I certify that the status and number of wells on  
162.28 the described real property have not changed since the last previously filed well disclosure  
162.29 certificate." The certification and signature may be on the front or back of the deed or on  
162.30 an attached sheet and an acknowledgment of the statement is not required for the deed or  
162.31 other instrument of conveyance to be recordable.

162.32 (k) The commissioner in consultation with county recorders shall prescribe the form  
162.33 for a well disclosure certificate and provide well disclosure certificate forms to county  
162.34 recorders and registrars of titles and other interested persons.

162.35 (l) Failure to comply with a requirement of this subdivision does not impair:

163.1 (1) the validity of a deed or other instrument of conveyance as between the parties  
 163.2 to the deed or instrument or as to any other person who otherwise would be bound by  
 163.3 the deed or instrument; or

163.4 (2) the record, as notice, of any deed or other instrument of conveyance accepted for  
 163.5 filing or recording contrary to the provisions of this subdivision.

163.6 Sec. 15. Minnesota Statutes 2006, section 144.123, is amended to read:

163.7 **144.123 FEES FOR DIAGNOSTIC LABORATORY SERVICES;**  
 163.8 **EXCEPTIONS.**

163.9 Subdivision 1. **Who must pay.** Except for the limitation contained in this section,  
 163.10 the commissioner of health shall charge a handling fee for each specimen submitted to  
 163.11 the Department of Health for analysis for diagnostic purposes by any hospital, private  
 163.12 laboratory, private clinic, or physician. No fee shall be charged to any entity which  
 163.13 receives direct or indirect financial assistance from state or federal funds administered by  
 163.14 the Department of Health, including any public health department, nonprofit community  
 163.15 clinic, ~~venereal sexually transmitted disease clinic, family planning clinic,~~ or similar  
 163.16 entity. No fee will be charged for any biological materials submitted to the Department  
 163.17 of Health as a requirement of Minnesota Rules, part 4605.7040, or for those biological  
 163.18 materials requested by the department to gather information for disease prevention or  
 163.19 control purposes. The commissioner of health may establish ~~by rule~~ other exceptions to  
 163.20 the handling fee as may be necessary to ~~gather information for epidemiologic purposes~~  
 163.21 protect the public's health. All fees collected pursuant to this section shall be deposited in  
 163.22 the state treasury and credited to the state government special revenue fund.

163.23 Subd. 2. **Rules for Fee amounts.** The commissioner of health shall ~~promulgate~~  
 163.24 ~~rules, in accordance with chapter 14, which shall specify the amount of the charge a~~  
 163.25 handling fee prescribed in subdivision 1. The fee shall approximate the costs to the  
 163.26 department of handling specimens including reporting, postage, specimen kit preparation,  
 163.27 and overhead costs. The fee prescribed in subdivision 1 shall be ~~\$15~~ \$25 per specimen  
 163.28 ~~until the commissioner promulgates rules pursuant to this subdivision.~~

163.29 Sec. 16. Minnesota Statutes 2006, section 144.125, is amended to read:

163.30 **144.125 TESTS OF INFANTS FOR HERITABLE AND CONGENITAL**  
 163.31 **DISORDERS.**

163.32 Subdivision 1. **Duty to perform testing.** It is the duty of (1) the administrative  
 163.33 officer or other person in charge of each institution caring for infants 28 days or less  
 163.34 of age, (2) the person required in pursuance of the provisions of section 144.215,

164.1 to register the birth of a child, or (3) the nurse midwife or midwife in attendance at  
164.2 the birth, to arrange to have administered to every infant or child in its care tests for  
164.3 heritable and congenital disorders according to subdivision 2 and rules prescribed by  
164.4 the state commissioner of health. Testing and the recording and reporting of test results  
164.5 shall be performed at the times and in the manner prescribed by the commissioner of  
164.6 health. The commissioner shall charge ~~laboratory service fees~~ a fee so that the total of  
164.7 fees collected will approximate the costs of conducting the tests and implementing and  
164.8 maintaining a system to follow-up infants with heritable or congenital disorders. The  
164.9 ~~laboratory service~~ fee is ~~\$61~~ \$81 per specimen. Costs associated with capital expenditures  
164.10 and the development of new procedures may be prorated over a three-year period when  
164.11 calculating the amount of the fees.

164.12       Subd. 2. **Determination of tests to be administered.** The commissioner shall  
164.13 periodically revise the list of tests to be administered for determining the presence of a  
164.14 heritable or congenital disorder. Revisions to the list shall reflect advances in medical  
164.15 science, new and improved testing methods, or other factors that will improve the public  
164.16 health. In determining whether a test must be administered, the commissioner shall take  
164.17 into consideration the adequacy of laboratory analytical methods to detect the heritable  
164.18 or congenital disorder, the ability to treat or prevent medical conditions caused by the  
164.19 heritable or congenital disorder, and the severity of the medical conditions caused by the  
164.20 heritable or congenital disorder. The list of tests to be performed may be revised if the  
164.21 changes are recommended by the advisory committee established under section 144.1255,  
164.22 approved by the commissioner, and published in the State Register. The revision is  
164.23 exempt from the rulemaking requirements in chapter 14, and sections 14.385 and 14.386  
164.24 do not apply.

164.25       Subd. 3. **Objection of parents to test.** Persons with a duty to perform testing under  
164.26 subdivision 1 shall advise parents of infants (1) that the blood or tissue samples used to  
164.27 perform testing thereunder as well as the results of such testing may be retained by the  
164.28 Department of Health, (2) the benefit of retaining the blood or tissue sample, and (3) that  
164.29 the following options are available to them with respect to the testing: (i) to decline to  
164.30 have the tests, or (ii) to elect to have the tests but to require that all blood samples and  
164.31 records of test results be destroyed within 24 months of the testing. If the parents of  
164.32 an infant object in writing to testing for heritable and congenital disorders or elect to  
164.33 require that blood samples and test results be destroyed, the objection or election shall  
164.34 be recorded on a form that is signed by a parent or legal guardian and made part of the  
164.35 infant's medical record. A written objection exempts an infant from the requirements of  
164.36 this section and section 144.128.

165.1 Sec. 17. Minnesota Statutes 2006, section 144.3345, is amended to read:

165.2 **144.3345 INTERCONNECTED ELECTRONIC HEALTH RECORD**

165.3 **GRANTS.**

165.4 Subdivision 1. **Definitions.** The following definitions are used for the purposes  
165.5 of this section.

165.6 (a) "Eligible community e-health collaborative" means an existing or newly  
165.7 established collaborative to support the adoption and use of interoperable electronic  
165.8 health records. A collaborative must consist of at least ~~three~~ two or more eligible health  
165.9 care entities in at least two of the categories listed in paragraph (b) and have a focus on  
165.10 interconnecting the members of the collaborative for secure and interoperable exchange of  
165.11 health care information.

165.12 (b) "Eligible health care entity" means one of the following:

165.13 (1) community clinics, as defined under section 145.9268;

165.14 (2) hospitals eligible for rural hospital capital improvement grants, as defined  
165.15 in section 144.148;

165.16 (3) physician clinics located in a community with a population of less than 50,000  
165.17 according to United States Census Bureau statistics and outside the seven-county  
165.18 metropolitan area;

165.19 (4) nursing facilities licensed under sections 144A.01 to 144A.27;

165.20 (5) community health boards or boards of health as established under chapter 145A;

165.21 (6) nonprofit entities with a purpose to provide health information exchange  
165.22 coordination governed by a representative, multi-stakeholder board of directors; and

165.23 (7) other providers of health or health care services approved by the commissioner  
165.24 for which interoperable electronic health record capability would improve quality of  
165.25 care, patient safety, or community health.

165.26 Subd. 2. **Grants authorized.** The commissioner of health shall award grants to:

165.27 (a) eligible community e-health collaborative projects to improve the implementation  
165.28 and use of interoperable electronic health records including but not limited to the  
165.29 following projects:

165.30 (1) collaborative efforts to host and support fully functional interoperable electronic  
165.31 health records in multiple care settings;

165.32 (2) electronic medication history and electronic patient ~~registration~~ medical history  
165.33 information;

165.34 (3) electronic personal health records for persons with chronic diseases and for  
165.35 prevention services;

165.36 (4) rural and underserved community models for electronic prescribing; ~~and~~

166.1 (5) ~~enabling~~ modernize local public health information systems to rapidly and  
 166.2 electronically exchange information needed to participate in community e-health  
 166.3 collaboratives or for public health emergency preparedness and response; and

166.4 (6) implement regional or community-based health information exchange  
 166.5 organizations;

166.6 (b) community clinics, as defined under section 145.9268, to implement and use  
 166.7 interoperable electronic health records, including but not limited to the following projects:

166.8 (1) efforts to plan for and implement fully functional, standards-based interoperable  
 166.9 electronic health records; and

166.10 (2) purchases and implementation of computer hardware, software, and technology  
 166.11 to fully implement interoperable electronic health records;

166.12 (c) regional or community-based health information exchange organizations to  
 166.13 connect and facilitate the exchange of health information between eligible health care  
 166.14 entities, including but not limited to the development, testing, and implementation of:

166.15 (1) data exchange standards, including data, vocabulary, and messaging standards,  
 166.16 for the exchange of health information, provided that such standards are consistent with  
 166.17 state and national standards;

166.18 (2) security standards necessary to ensure the confidentiality and integrity of health  
 166.19 records;

166.20 (3) computer interfaces and mechanisms for standardizing health information  
 166.21 exchanged between eligible health care entities;

166.22 (4) a record locator service for identifying the location of patient health records; or

166.23 (5) interfaces and mechanisms for implementing patient consent requirements; and

166.24 (d) community health boards and boards of health as established under chapter  
 166.25 145A to modernize local public health information systems to be standards-based and  
 166.26 interoperable with other electronic health records and information systems, or for  
 166.27 enhanced public health emergency preparedness and response.

166.28 Grant funds may not be used for construction of health care or other buildings or  
 166.29 facilities.

166.30 Subd. 3. **Allocation of grants.** (a) To receive a grant under this section, an eligible  
 166.31 community e-health collaborative, community clinic, regional or community-based health  
 166.32 information exchange, or community health boards and boards of health must submit an  
 166.33 application to the commissioner of health by the deadline established by the commissioner.  
 166.34 A grant may be awarded upon the signing of a grant contract. In awarding grants, the  
 166.35 commissioner shall give preference to projects benefiting providers located in rural and  
 166.36 underserved areas of Minnesota which the commissioner has determined have an unmet

167.1 need for the development and funding of electronic health records. Applicants may apply  
167.2 for and the commissioner may award grants for one-year, two-year, or three-year periods.

167.3 (b) An application must be on a form and contain information as specified by the  
167.4 commissioner but at a minimum must contain:

167.5 (1) a description of the purpose or project for which grant funds will be used;

167.6 (2) a description of the problem or problems the grant funds will be used to address,  
167.7 including an assessment of the likelihood of the project occurring absent grant funding;

167.8 (3) a description of achievable objectives, a workplan, budget, budget narrative, a  
167.9 project communications plan, a timeline for implementation and completion of processes  
167.10 or projects enabled by the grant, and an assessment of privacy and security issues and a  
167.11 proposed approach to address these issues;

167.12 (4) a description of the health care entities and other groups participating in the  
167.13 project, including identification of the lead entity responsible for applying for and  
167.14 receiving grant funds;

167.15 (5) a plan for how patients and consumers will be involved in development of  
167.16 policies and procedures related to the access to and interchange of information;

167.17 (6) evidence of consensus and commitment among the health care entities and others  
167.18 who developed the proposal and are responsible for its implementation; ~~and~~

167.19 (7) a plan for documenting and evaluating results of the grant: ; ~~and~~

167.20 (8) a plan for use of data exchange standards, including data and vocabulary.

167.21 (c) The commissioner shall review each application to determine whether the  
167.22 application is complete and whether the applicant and the project are eligible for a  
167.23 grant. In evaluating applications, the commissioner shall take into consideration factors,  
167.24 including but not limited to, the following:

167.25 (1) the degree to which the proposal interconnects ~~the various providers of care with~~  
167.26 other health care entities in the applicant's geographic community;

167.27 (2) the degree to which the project provides for the interoperability of electronic  
167.28 health records or related health information technology ~~between the members of the~~  
167.29 ~~collaborative, and presence and scope of a description of how the project intends to~~  
167.30 ~~interconnect with other providers not part of the project into the future;~~

167.31 (3) the degree to which the project addresses current unmet needs pertaining  
167.32 to interoperable electronic health records in a geographic area of Minnesota and the  
167.33 likelihood that the needs would not be met absent grant funds;

167.34 (4) the applicant's thoroughness and clarity in describing the project, how the project  
167.35 will improve patient safety, quality of care, and consumer empowerment, and the role of  
167.36 the various collaborative members;

168.1 (5) the recommendations of the Health Information and Technology Infrastructure  
168.2 Advisory Committee; and

168.3 (6) other factors that the commissioner deems relevant.

168.4 (d) Grant funds shall be awarded on a three-to-one match basis. Applicants shall  
168.5 be required to provide \$1 in the form of cash or in-kind staff or services for each \$3  
168.6 provided under the grant program.

168.7 (e) Grants shall not exceed \$900,000 per grant. The commissioner has discretion  
168.8 over the size and number of grants awarded.

168.9 Subd. 4. **Evaluation and report.** The commissioner of health shall evaluate the  
168.10 overall effectiveness of the grant program. The commissioner shall collect progress  
168.11 and expenditure reports to evaluate the grant program from the eligible community  
168.12 collaboratives receiving grants.

168.13 Sec. 18. Minnesota Statutes 2006, section 144D.03, subdivision 1, is amended to read:

168.14 Subdivision 1. **Registration procedures.** The commissioner shall establish forms  
168.15 and procedures for annual registration of housing with services establishments. The  
168.16 commissioner shall charge an annual registration fee of ~~\$35~~ \$155. No fee shall be  
168.17 refunded. A registered establishment shall notify the commissioner within 30 days of the  
168.18 date it is no longer required to be registered under this chapter or of any change in the  
168.19 business name or address of the establishment, the name or mailing address of the owner  
168.20 or owners, or the name or mailing address of the managing agent. There shall be no  
168.21 fee for submission of the notice.

168.22 Sec. 19. Minnesota Statutes 2006, section 148.5194, is amended by adding a  
168.23 subdivision to read:

168.24 Subd. 7a. **Audiologist hearing instrument dispensing examination fee.** For  
168.25 persons meeting the requirements of section 148.515, subdivision 2, the fee for the  
168.26 practical portion of the hearing instrument dispensing examination is \$250 each time it  
168.27 is taken.

168.28 Sec. 20. Minnesota Statutes 2006, section 148.6445, subdivision 1, is amended to read:

168.29 Subdivision 1. **Initial licensure fee.** The initial licensure fee for occupational  
168.30 therapists is ~~\$180~~ \$145. The initial licensure fee for occupational therapy assistants is  
168.31 ~~\$100~~ \$80. The commissioner shall prorate fees based on the number of quarters remaining  
168.32 in the biennial licensure period.

169.1 Sec. 21. Minnesota Statutes 2006, section 148.6445, subdivision 2, is amended to read:

169.2 Subd. 2. **Licensure renewal fee.** The biennial licensure renewal fee for  
 169.3 occupational therapists is ~~\$180~~ \$145. The biennial licensure renewal fee for occupational  
 169.4 therapy assistants is ~~\$100~~ \$80.

169.5 Sec. 22. Minnesota Statutes 2006, section 149A.52, subdivision 3, is amended to read:

169.6 Subd. 3. **Application procedure; documentation; initial inspection.** An applicant  
 169.7 for a license to operate a crematory shall submit to the commissioner a completed  
 169.8 application. A completed application includes:

- 169.9 (1) a completed application form, as provided by the commissioner;  
 169.10 (2) proof of business form and ownership; and  
 169.11 (3) proof of liability insurance coverage or other financial documentation, as  
 169.12 determined by the commissioner, that demonstrates the applicant's ability to respond in  
 169.13 damages for liability arising from the ownership, maintenance, management, or operation  
 169.14 of a crematory.

169.15 Upon receipt of the application and appropriate fee, the commissioner shall review  
 169.16 and verify all information. Upon completion of the verification process and resolution  
 169.17 of any deficiencies in the application information, the commissioner shall conduct an  
 169.18 initial inspection of the premises to be licensed. After the inspection and resolution of  
 169.19 any deficiencies found and any reinspections as may be necessary, the commissioner shall  
 169.20 make a determination, based on all the information available, to grant or deny licensure. If  
 169.21 the commissioner's determination is to grant the license, the applicant shall be notified and  
 169.22 the license shall issue and remain valid for a period prescribed on the license, but not to  
 169.23 exceed one calendar year from the date of issuance of the license. If the commissioner's  
 169.24 determination is to deny the license, the commissioner must notify the applicant, in  
 169.25 writing, of the denial and provide the specific reason for denial.

169.26 Sec. 23. **[149A.65] FEES.**

169.27 Subdivision 1. **Generally.** This section establishes the fees for registrations,  
 169.28 examinations, initial and renewal licenses, and late fees authorized under the provisions  
 169.29 of this chapter.

169.30 Subd. 2. **Mortuary science fees.** Fees for mortuary science are:

- 169.31 (1) \$50 for the initial and renewal registration of a mortuary science intern;  
 169.32 (2) \$100 for the mortuary science examination;  
 169.33 (3) \$125 for issuance of initial and renewal mortuary science licenses;  
 169.34 (4) \$25 late fee charge for a license renewal; and

170.1 (5) \$200 for issuing a mortuary science license by endorsement.

170.2 Subd. 3. **Funeral directors.** The license renewal fee for funeral directors is \$125.

170.3 The late fee charge for a license renewal is \$25.

170.4 Subd. 4. **Funeral establishments.** The initial and renewal fee for funeral  
 170.5 establishments is \$300. The late fee charge for a license renewal is \$25.

170.6 Subd. 5. **Crematories.** The initial and renewal fee for a crematory is \$300. The  
 170.7 late fee charge for a license renewal is \$25.

170.8 Sec. 24. Minnesota Statutes 2006, section 149A.97, subdivision 7, is amended to read:

170.9 Subd. 7. **Reports to commissioner.** Every funeral provider lawfully doing business  
 170.10 in Minnesota that accepts funds under subdivision 2 must make a complete annual report  
 170.11 to the commissioner. The reports may be on forms provided by the commissioner or  
 170.12 substantially similar forms containing, at least, identification and the state of each trust  
 170.13 account, including all transactions involving principal and accrued interest, and must be  
 170.14 filed by March 31 of the calendar year following the reporting year along with a filing  
 170.15 fee of ~~\$15~~ \$25 for each report. Fees shall be paid to the commissioner of finance, state of  
 170.16 Minnesota, for deposit in the state government special revenue fund in the state treasury.  
 170.17 Reports must be signed by an authorized representative of the funeral provider and  
 170.18 notarized under oath. All reports to the commissioner shall be reviewed for account  
 170.19 inaccuracies or possible violations of this section. If the commissioner has a reasonable  
 170.20 belief to suspect that there are account irregularities or possible violations of this section,  
 170.21 the commissioner shall report that belief, in a timely manner, to the state auditor. The  
 170.22 commissioner shall also file an annual letter with the state auditor disclosing whether or  
 170.23 not any irregularities or possible violations were detected in review of the annual trust  
 170.24 fund reports filed by the funeral providers. This letter shall be filed with the state auditor  
 170.25 by May 31 of the calendar year following the reporting year.

170.26 Sec. 25. Minnesota Statutes 2006, section 153A.14, subdivision 4a, is amended to read:

170.27 Subd. 4a. **Trainees.** (a) A person who is not certified under this section may dispense  
 170.28 hearing instruments as a trainee for a period not to exceed 12 months if the person:

170.29 (1) submits an application on forms provided by the commissioner;

170.30 (2) is under the supervision of a certified dispenser meeting the requirements of this  
 170.31 subdivision or a licensed audiologist meeting the requirements of sections 148.511 to  
 170.32 148.5198; and

170.33 (3) meets all requirements for certification except passage of the examination  
 170.34 required by this section.

171.1 (b) A certified hearing instrument dispenser may not supervise more than two  
171.2 trainees at the same time and may not directly supervise more than one trainee at a time.  
171.3 The certified dispenser is responsible for all actions or omissions of a trainee in connection  
171.4 with the dispensing of hearing instruments. A certified dispenser may not supervise a  
171.5 trainee if there are any commissioner, court, or other orders, currently in effect or issued  
171.6 within the last five years, that were issued with respect to an action or omission of a  
171.7 certified dispenser or a trainee under the certified dispenser's supervision.

171.8 Until taking and passing the practical examination testing the techniques described  
171.9 in subdivision 2h, paragraph (a), clause (2), trainees must be directly supervised in all  
171.10 areas described in subdivision 4b, and the activities tested by the practical examination.  
171.11 Thereafter, trainees may dispense hearing instruments under indirect supervision until  
171.12 expiration of the trainee period. Under indirect supervision, the trainee must complete two  
171.13 monitored activities a week. Monitored activities may be executed by correspondence,  
171.14 telephone, or other telephonic devices, and include, but are not limited to, evaluation  
171.15 of audiograms, written reports, and contracts. The time spent in supervision must be  
171.16 recorded and the record retained by the supervisor.

171.17 Sec. 26. Minnesota Statutes 2006, section 153A.17, is amended to read:

171.18 **153A.17 EXPENSES; FEES.**

171.19 The expenses for administering the certification requirements including the  
171.20 complaint handling system for hearing aid dispensers in sections 153A.14 and 153A.15  
171.21 and the Consumer Information Center under section 153A.18 must be paid from initial  
171.22 application and examination fees, renewal fees, penalties, and fines. All fees are  
171.23 nonrefundable. The initial and annual renewal certificate application fee is ~~\$350~~ \$1,000,  
171.24 the examination fee is ~~\$250~~ \$700 for the written portion and ~~\$250~~ \$700 for the practical  
171.25 portion each time one or the other is taken, and the trainee application fee is \$200.  
171.26 Effective July 1, 2007, a surcharge of \$200 shall be paid at the time of certification  
171.27 application or renewal until June 30, 2011, to recover the commissioner's accumulated  
171.28 direct expenditures for administering the requirements of this chapter. The penalty fee for  
171.29 late submission of a renewal application is \$200. The fee for verification of certification  
171.30 to other jurisdictions or entities is \$25. All fees, penalties, and fines received must be  
171.31 deposited in the state government special revenue fund. The commissioner may prorate  
171.32 the certification fee for new applicants based on the number of quarters remaining in  
171.33 the annual certification period.

171.34 Sec. 27. Minnesota Statutes 2006, section 256L.02, subdivision 3, is amended to read:

172.1 Subd. 3. **Financial management.** (a) The commissioner shall manage spending  
172.2 for the MinnesotaCare program in a manner that maintains a minimum reserve. As  
172.3 part of each state revenue and expenditure forecast, the commissioner must make an  
172.4 assessment of the expected expenditures for the covered services for the remainder of the  
172.5 current biennium and for the following biennium. The estimated expenditure, including  
172.6 the reserve, shall be compared to an estimate of the revenues that will be available in  
172.7 the health care access fund. Based on this comparison, and after consulting with the  
172.8 chairs of the house Ways and Means Committee and the senate Finance Committee,  
172.9 and the Legislative Commission on Health Care Access, the commissioner shall, as  
172.10 necessary, make the adjustments specified in paragraph (b) to ensure that expenditures  
172.11 remain within the limits of available revenues for the remainder of the current biennium  
172.12 and for the following biennium. The commissioner shall not hire additional staff using  
172.13 appropriations from the health care access fund until the commissioner of finance makes  
172.14 a determination that the adjustments implemented under paragraph (b) are sufficient to  
172.15 allow MinnesotaCare expenditures to remain within the limits of available revenues for  
172.16 the remainder of the current biennium and for the following biennium.

172.17 (b) The adjustments the commissioner shall use must be implemented in this order:  
172.18 first, stop enrollment of single adults and households without children; second, upon 45  
172.19 days' notice, stop coverage of single adults and households without children already  
172.20 enrolled in the MinnesotaCare program; third, upon 90 days' notice, decrease the premium  
172.21 subsidy amounts by ten percent for families with gross annual income above 200 percent  
172.22 of the federal poverty guidelines; fourth, upon 90 days' notice, decrease the premium  
172.23 subsidy amounts by ten percent for families with gross annual income at or below 200  
172.24 percent; and fifth, require applicants to be uninsured for at least six months prior to  
172.25 eligibility in the MinnesotaCare program. If these measures are insufficient to limit the  
172.26 expenditures to the estimated amount of revenue, the commissioner shall further limit  
172.27 enrollment or decrease premium subsidies.

172.28 (c) The commissioner shall work in cooperation with the Minnesota Health  
172.29 Insurance Exchange under section 62A.67 to make adjustments under paragraph (b) as  
172.30 required under this subdivision.

172.31 **EFFECTIVE DATE.** This section is effective January 1, 2009.

172.32 Sec. 28. Minnesota Statutes 2006, section 256L.02, is amended by adding a subdivision  
172.33 to read:

172.34 **Subd. 5. Enrollment responsibilities.** According to section 256L.05, subdivision 6,  
172.35 effective January 1, 2009, the Minnesota Health Insurance Exchange under section 62A.67

173.1 shall assume responsibility for enrolling eligible applicants and enrollees in a health  
 173.2 plan for MinnesotaCare coverage. The commissioner shall maintain responsibility for  
 173.3 determining eligibility for MinnesotaCare.

173.4 **EFFECTIVE DATE.** This section is effective January 1, 2009.

173.5 Sec. 29. Minnesota Statutes 2006, section 256L.02, is amended by adding a subdivision  
 173.6 to read:

173.7 **Subd. 6. Exchange of data.** An entity that is part of the welfare system as defined  
 173.8 in section 13.46, subdivision 1, paragraph (c), and the Minnesota Health Insurance  
 173.9 Exchange under section 62A.67 may exchange private data about individuals without  
 173.10 the individual's consent in order to enroll and collect premiums from individuals in the  
 173.11 MinnesotaCare program under chapter 256L and to administer the individual's and the  
 173.12 individual's family's participation in the program. This subdivision only applies if the  
 173.13 entity that is part of the welfare system and the Minnesota Health Insurance Exchange  
 173.14 have entered into an agreement that complies with the requirements in Code of Federal  
 173.15 Regulations, title 45, section 164.314.

173.16 Sec. 30. Minnesota Statutes 2006, section 256L.05, subdivision 5, is amended to read:

173.17 **Subd. 5. Availability of private insurance.** (a) The commissioner, in consultation  
 173.18 ~~with the commissioners of health and commerce,~~ shall provide information regarding the  
 173.19 availability of private health insurance coverage and the ~~possibility of disenrollment under~~  
 173.20 ~~section 256L.07, subdivision 1, paragraphs (b) and (c), to all: (1) families enrolled in the~~  
 173.21 ~~MinnesotaCare program whose gross family income is equal to or more than 225 percent~~  
 173.22 ~~of the federal poverty guidelines; and (2) single adults and households without children~~  
 173.23 ~~enrolled in the MinnesotaCare program whose gross family income is equal to or more~~  
 173.24 ~~than 165 percent of the federal poverty guidelines. This information must be provided~~  
 173.25 Minnesota Health Insurance Exchange under section 62A.67 upon initial enrollment  
 173.26 and annually thereafter. The commissioner shall also include information regarding the  
 173.27 availability of private health insurance coverage in

173.28 (b) The notice of ineligibility provided to persons subject to disenrollment under  
 173.29 section 256L.07, subdivision 1, paragraphs (b) and (c), must include information about  
 173.30 assistance with identifying and selecting private health insurance coverage provided by  
 173.31 the Minnesota Health Insurance Exchange under section 62A.67.

173.32 **EFFECTIVE DATE.** This section is effective January 1, 2009.

174.1 Sec. 31. Minnesota Statutes 2006, section 256L.05, is amended by adding a subdivision  
174.2 to read:

174.3 Subd. 6. **Minnesota Health Insurance Exchange.** The commissioner shall refer  
174.4 all MinnesotaCare applicants and enrollees to the Minnesota Health Insurance Exchange  
174.5 under section 62A.67. The Minnesota Health Insurance Exchange shall provide those  
174.6 referred with assistance in selecting a managed care plan through which to receive  
174.7 MinnesotaCare covered services and in analyzing health plans available through the  
174.8 private market. MinnesotaCare applicants and enrollees shall effect enrollment in a  
174.9 managed care plan or a private market health plan through the Minnesota Health Insurance  
174.10 Exchange.

174.11 **EFFECTIVE DATE.** This section is effective January 1, 2009.

174.12 Sec. 32. **[256L.075] MINNESOTACARE II OPTION ESTABLISHED.**

174.13 Subdivision 1. **Program established; enrollment.** The Minnesota Health Insurance  
174.14 Exchange under section 62A.67, in consultation with the commissioner, shall establish  
174.15 and administer a program that subsidizes the purchase of private market health plans  
174.16 for children eligible for MinnesotaCare in families with family income above 200  
174.17 percent, but not exceeding 300 percent, of the federal poverty guidelines. The program  
174.18 established under this section is referred to as MinnesotaCare II. The private market  
174.19 health coverage provided under this section is an alternative to coverage under section  
174.20 256L.03. Notwithstanding section 256L.12, children obtaining coverage under this  
174.21 section shall enroll in a health plan, as defined in section 62A.011, subdivision 3, through  
174.22 the individual market, that covers, at a minimum, the standard benefit set established in  
174.23 subdivision 2. Enrollment under this section is administered by the Minnesota Health  
174.24 Insurance Exchange. Eligibility under this section is determined by the commissioner. All  
174.25 other provisions of sections 256L.01 to 256L.18, including the insurance-related barriers  
174.26 to enrollment under section 256L.07, apply to this section unless otherwise specified.

174.27 Subd. 2. **Benefit set.** The Minnesota Health Insurance Exchange, in consultation  
174.28 with the commissioner, shall establish a standard benefit set for health plans that qualify  
174.29 for a subsidy under this section. The standard benefit set must be reviewed, and, if  
174.30 necessary, modified on an annual basis. Notwithstanding section 256L.03, subdivision 5,  
174.31 the benefit set may require co-payments, deductibles, and maximum annual out-of-pocket  
174.32 enrollee cost-sharing limits.

174.33 Subd. 3. **Health carrier participation.** (a) Health insurers with at least three  
174.34 percent of the market share of premium volume from individual market health plans as  
174.35 determined from loss ratio reports filed under section 62A.021, subdivision 1, paragraph

175.1 (h), shall offer at least one health plan that covers the standard benefit set, or its actuarial  
175.2 equivalent as determined by the commissioner of commerce, to children enrolled under  
175.3 this section. Health issuers shall offer a health plan that covers the standard benefit set,  
175.4 without a subsidy, to adults so that families can enroll in a single plan. Health insurers  
175.5 that are not required to participate may participate voluntarily. The Minnesota Health  
175.6 Insurance Exchange shall certify those health plans that meet the standards in subdivision  
175.7 2 and qualify for a subsidy under this section.

175.8 (b) Health insurers offering coverage under this section may offer up to three  
175.9 additional health plan products approved by the commissioner of commerce as actuarially  
175.10 equivalent or better than the standard plan established in subdivision 2. The additional  
175.11 products must also qualify for a subsidy if purchased to cover children eligible under  
175.12 this section.

175.13 (c) Nothing in this subdivision requires guaranteed issue of MinnesotaCare II health  
175.14 plans.

175.15 Subd. 4. **State subsidy; premium.** The cost of coverage for children enrolled under  
175.16 this section is subsidized based on a sliding scale. The amount of the subsidy provided  
175.17 for a child is equal to the cost of the least expensive health plan certified to participate  
175.18 under this section less an amount equal to one-half of the premium that would be paid for  
175.19 the child under section 256L.15, subdivision 2. The commissioner shall pay the subsidy  
175.20 to the Minnesota Health Insurance Exchange. The premium for a child enrolled under  
175.21 this section is equal to the difference between the cost of the health plan through which  
175.22 the coverage is provided and the amount of the subsidy. The premium must be paid to  
175.23 the Minnesota Health Insurance Exchange.

175.24 Subd. 5. **Enrollment; limitation on changing plans.** Notwithstanding section  
175.25 256L.04, subdivision 1, individual children in a family may enroll under this section or  
175.26 under section 256L.03. A child enrolled under this section may change health plans or  
175.27 switch to coverage under section 256L.03 at the time of annual renewal. An enrollee may  
175.28 change health plans or switch to coverage under section 256L.03 at other times during the  
175.29 year if the family of the child experiences a qualifying life event, including, but not limited  
175.30 to, marriage, divorce, a change in dependent status, change in family size, or a change in  
175.31 eligibility for state health care programs under this chapter or chapter 256B or 256D.

175.32 Subd. 6. **Bonus accounts incentive.** The Minnesota Health Insurance Exchange  
175.33 shall administer bonus accounts for families with children enrolled under this section.  
175.34 Funds must be credited to a bonus account when a child covered under this section  
175.35 achieves specific goals for preventive services or healthy behaviors. Funds credited to  
175.36 an account can be used by a family to reimburse qualified medical expenses as defined

176.1 in Internal Revenue Code, section 213(d). The commissioner, in consultation with the  
 176.2 Minnesota Health Insurance Exchange, shall establish a schedule of preventive service  
 176.3 and healthy behavior goals that qualify for a credit and corresponding credit amounts.  
 176.4 Families with children enrolled under this section can qualify for credits of up to \$50 per  
 176.5 year per child, up to a maximum of \$150 per year per family. Funds held in the account  
 176.6 are available to a family until:

176.7 (1) there is no longer a child under age 21 in the family; or  
 176.8 (2) no child in the family has been enrolled under chapter 256B or 256L, or in a  
 176.9 health plan through the Minnesota Health Insurance Exchange for the past six months.

176.10 Subd. 7. **Federal approval.** The commissioner shall seek all federal waivers  
 176.11 and approvals necessary to implement and receive federal financial participation for  
 176.12 expenditures under this section.

176.13 **EFFECTIVE DATE.** This section is effective January 1, 2009.

176.14 Sec. 33. Minnesota Statutes 2006, section 256L.12, subdivision 7, is amended to read:

176.15 Subd. 7. **Managed care plan vendor requirements.** The following requirements  
 176.16 apply to all counties or vendors who contract with the Department of Human Services to  
 176.17 serve MinnesotaCare recipients. Managed care plan contractors:

176.18 (1) shall authorize and arrange for the provision of the full range of services listed in  
 176.19 section 256L.03 in order to ensure appropriate health care is delivered to enrollees;

176.20 (2) shall accept the prospective, per capita payment or other contractually defined  
 176.21 payment from the commissioner in return for the provision and coordination of covered  
 176.22 health care services for eligible individuals enrolled in the program;

176.23 (3) may contract with other health care and social service practitioners to provide  
 176.24 services to enrollees;

176.25 (4) shall provide for an enrollee grievance process as required by the commissioner  
 176.26 and set forth in the contract with the department;

176.27 (5) shall retain all revenue from enrollee co-payments;

176.28 (6) shall accept all eligible MinnesotaCare enrollees, without regard to health status  
 176.29 or previous utilization of health services;

176.30 (7) shall demonstrate capacity to accept financial risk according to requirements  
 176.31 specified in the contract with the department. A health maintenance organization licensed  
 176.32 under chapter 62D, or a nonprofit health plan licensed under chapter 62C, is not required  
 176.33 to demonstrate financial risk capacity, beyond that which is required to comply with  
 176.34 chapters 62C and 62D; ~~and~~

177.1 (8) shall submit information as required by the commissioner, including data required  
177.2 for assessing enrollee satisfaction, quality of care, cost, and utilization of services; and

177.3 (9) shall participate in the Minnesota Health Insurance Exchange under section  
177.4 62A.67 for the purpose of enrolling individuals under this chapter.

177.5 **EFFECTIVE DATE.** This section is effective January 1, 2009.

177.6 Sec. 34. Minnesota Statutes 2006, section 256L.15, subdivision 1a, is amended to read:

177.7 Subd. 1a. **Payment options.** (a) The commissioner may offer the following  
177.8 payment options to an enrollee:

177.9 (1) payment by check;

177.10 (2) payment by credit card;

177.11 (3) payment by recurring automatic checking withdrawal;

177.12 (4) payment by onetime electronic transfer of funds;

177.13 (5) payment by wage withholding with the consent of the employer and the  
177.14 employee; or

177.15 (6) payment by using state tax refund payments.

177.16 At application or reapplication, a MinnesotaCare applicant or enrollee may authorize  
177.17 the commissioner to use the Revenue Recapture Act in chapter 270A to collect funds  
177.18 from the applicant's or enrollee's refund for the purposes of meeting all or part of the  
177.19 applicant's or enrollee's MinnesotaCare premium obligation. The applicant or enrollee  
177.20 may authorize the commissioner to apply for the state working family tax credit on behalf  
177.21 of the applicant or enrollee. The setoff due under this subdivision shall not be subject to  
177.22 the \$10 fee under section 270A.07, subdivision 1.

177.23 (b) Effective January 1, 2009, the Minnesota Health Insurance Exchange under  
177.24 section 62A.67 is responsible for collecting MinnesotaCare premiums.

177.25 **EFFECTIVE DATE.** This section is effective January 1, 2009.

177.26 Sec. 35. Minnesota Statutes 2006, section 256L.15, is amended by adding a subdivision  
177.27 to read:

177.28 Subd. 5. **Premium discount incentive.** Adults and families with children are  
177.29 eligible for a premium reduction of \$3 per month for each child who met goals for  
177.30 preventive care or an adult who met goals for cardiac or diabetes care in the previous  
177.31 calendar year. The maximum premium reduction may not exceed \$15 per month per  
177.32 family. The commissioner, in consultation with the Minnesota Health Insurance Exchange,  
177.33 shall establish specific goals for preventive care, including cardiac and diabetes care, that

178.1 make an enrollee eligible for the premium reduction. The premium discount incentive is  
178.2 administered by the Minnesota Health Insurance Exchange under section 62A.67. Children  
178.3 enrolled under section 256L.075 are not eligible for the premium discount incentive.

178.4 **EFFECTIVE DATE.** This section is effective January 1, 2009.

178.5 Sec. 36. **REPEALER.**

178.6 (a) Minnesota Rules, part 4610.2800, is repealed.

178.7 (b) Laws 2004, chapter 288, article 6, section 27, is repealed.