



2019 Legislative Session Summary

6/28/2019

Legislative Session Overview

At the beginning of the 2019 legislative session, Governor Walz began his first term as Governor and the legislative makeup of the house switched to a Democratic-Farmer-Labor Party (DFL) majority, while the Senate remained in Republican control. The 2019 Legislative session began with a Senate and House budget extremely far apart. While the House proposed an HHS budget similar to the Governor's recommendations, the Senate proposed an HHS budget with significant cuts, upwards of \$1.75 billion in the four year budget horizon.

However, the legislative session ended with the passage of a Health and Human Services budget that included many of the department's proposals and didn't include proposals that resulted in cuts to services for the people we serve. The legislature also created a Blue Ribbon Commission aimed at finding

\$100 million in savings by looking at ways to slow the cost curve of Health and Human Services spending.

A bonding budget proposal was not passed and minimal department policy proposals moved forward this session. The department will have to look to the 2020 session to move these initiatives forward.

DHS Agency-wide Operations Administration

Financial Fraud and Abuse Investigations Division

CCAP, MA, and Public Assistance Program Integrity

[Laws of Minnesota, First Special Session, Chapter 9](#)

Child Care Assistance Program Data Sharing (policy only)

Allows DHS to share child care assistance data with the Minnesota Department of Education. Previously believed to have this authority but this provision enshrines it in law. Effective the day following final enactment. (Article 2, Section 1)

Investigative Data Sharing Modifications (policy only)

Clarifies the Department's ability to share investigative data with law enforcement and other agencies. Effective the day following enactment. (Article 2, Section 2)

Child Care Assistance Program Data (policy only)

This legislation allows DHS to make certain Child Care Assistance Program payment data public. Effective the day following final enactment. (Article 2, Section 4)

Federal False Claims Act Conformity (policy only)

As of January 1, 2019 Minnesota was out of compliance and not eligible for the federal financial incentive in national settlements of fraud cases. Passage of this legislation conforms civil penalty amounts under the Minnesota False Claims Act to the Federal False Claims Act. (Article 2, Section 5)

Child Care Assistance Program Payment Data definition (policy only)

Defines Child Care Assistance Program payment data as any center that: receives more than \$100K in a year, is disqualified for fraud, and/or whose payments are stopped for suspected fraud. Effective the day following final enactment. (Article 2, Section 7)

Limits on Receiving Public funds – Authority to Remove Vendors from Programs (policy only)

Authorizes DHS to exclude, disenroll, revoke or suspend a license, disqualify, or debar any provider, vendor or individual from all programs administered by the agency when they are excluded from any program administered by the agency. Effective the day following final enactment. (Article 2, Section 13)

Mandatory Reporting Requirement for Medical Assistance (policy only)

The legislation makes it mandatory for individuals engaging in licensing functions to report fraud. Effective July 1, 2019. (Article 2, Section 50)

Hearing Authority for Child Care Assistance Providers Clarification (policy only)

Removes language about provider disqualifications from a paragraph about recipient disqualifications. Effective July 1, 2019. (Article 2, Section 106)

Administrative Disqualification for Child Care Assistance Providers (policy only)

The legislation lowers the standard of proof for administrative fraud disqualifications and lengthens fraud disqualification periods for child care providers. It also outlines the process for appealing a disqualification. Effective July 1, 2019. (Article 2, Section 107)

Vendor of Medical Care Definition (policy only)

This bill clarifies, and strengthens, who is considered a vendor of medical care. Effective July 1, 2019. (Article 2, Section 111)

Medical Assistance Provider Termination Length (policy only)

Requires the Department to terminate providers for a minimum of 5 years as the result of a conviction related to Medical Assistance fraud. Effective July 1, 2019. (Article 2, Section 113)

Medical Assistance Provider Forfeiture & Fining Authority (policy only)

Allows the Department to hold forfeited funds upon a Medical Assistance provider conviction. It also expands the Department's ability to impose fines for program violations. The fine can equal 20% of the value of the claim or \$5,000, whichever is more. Effective July 1, 2019. (Article 2, Section 114)

Medical Assistance Provider Exclusion List (policy only)

The bill requires the agency to maintain and publish a list of individuals and entities convicted of a crime, suspended or terminated from participation in Medical Assistance. Further stipulates that a vendor receiving Medical Assistance funding shall not pay Medicaid funds directly or indirectly to any individual or entity on the exclusion list. It also specifies how frequently providers must check the exclusion list, the documentation requirements that must be met by providers when doing so, and details the sanctions that can be imposed if a provider employs someone on the exclusion list. Effective July 1, 2019. (Article 2, Section 115)

Minnesota Restricted Recipient Program Legal Notice Modification (policy only)

Allows the Department to serve notices to recipients of Medical Assistance that are being placed into the Minnesota Restricted Recipient Program (MRRP) by first class mail with an affidavit of service. It clarifies the department's obligation to issue a notice to recipients of their placement into the MRRP, allows service of the notice by US Mail to the recipients address on file with the department, and details the manner in which a recipient can appeal the placement into MRRP. Effective July 1, 2019. (Article 2, Section 116)

Immunity for Good Faith Reporters of Medical Assistance Fraud (policy only)

The bill grants immunity for good faith reporters of fraud or abuse in public assistance programs. The immunity is both civil and criminal immunity and also ensures the identity of the reporter remains confidential. Effective July 1, 2019. (Article 2, Section 117)

Minnesota Restricted Recipient – Personal Care Assistant Referral (policy only)

Allows the Department to place a recipient of Personal Care Assistance, or Community First Services and Supports, in the Minnesota Restricted Recipient Program when the recipient's use of those services and supports results in abusive or fraudulent behavior. Effective the day following final enactment. (Article 2, Section 118)

Medical Assistance Recipient Protection (policy only)

Allows the Department to notify recipients who receive care from a provider that payments will be withheld from the provider or the provider's participation in Medical Assistance may be suspended or terminated. Effective the day following enactment. (Article 2, Section 119)

Personal Care Assistant Services Documentation Modifications (policy only)

Requires a recipient's Medical Assistance identification number or date of birth when documenting Personal Care Assistant services. Effective the day following enactment. (Article 2, Section 120)

Medical Records Access Modifications (policy only)

This legislation removes the 24-hour notice requirement for access to medical records relating to Medicaid. It also grants the Department immediate access to medical records and documentation relating to services provided and claims for services provided when investigating possible overpayments of Medicaid funds. Denying access is cause for immediate suspension of payment and possibly termination. Effective July 1, 2019. (Article 2, Section 121)

Home and Community-Based Service Billing and Documentation Requirements (policy only)

Home and Community Based Service (HCBS) providers now must maintain documentation of the services they provide as a condition of payment. Basic documentation requirements are established in HCBS, such as: date and time a service was provided, who received the service, who provided the service, and what service was provided. Additionally, only services provided under a federally approved waiver plan would be reimbursed by the Department. Effective July 1, 2019. (Article 2, Section 122-123)

Waivered Services Documentation and Billing Requirements (policy only)

Adds additional documentation and billing requirements for three Home and Community Based Services that are a higher risk for fraud or abuse: 1) waiver transportation services; 2) equipment and supply items; and 3) adult day services. Effective July 1, 2019. (Article 2, Section 124-126)

Report on Responsibility of Fraud Investigations in Public Assistance (policy only)

The Department is directed to determine, and report, on the responsibility for fraud investigations in every public program in DHS. Effective January 1, 2020. (Article 2, Section 128)

Mental Health Provider Travel Documentation Requirements (policy only)

Mental Health providers who bill travel time will be required to maintain documentation of their travel. The travel time calculation will now have safeguards consistent with mileage based billing. Effective July 1, 2019. (Article 6, Section 55)

SIRS and CCAP Investigation Expansion (Savings of \$74K in FY20-21 and \$200K in FY22-23)

Strengthens the Department's capacity to prevent, detect, and investigate fraud by expanding FFAID's Surveillance and Integrity Review Section (SIRS) that oversees Medical Assistance providers. The legislation adds 4 investigators in SIRS. The Child Care Assistance Program (CCAP) investigations unit within FFAID will acquire a system to record, track and report on its investigative activity. An increase in investigations results in more money returning to the program. The fiscal impact will be an increase of \$74 thousand in FYs 20-21 and \$200 thousand in FYs 22-23.

Fraud Prevention Investigations Expansion (Savings of \$204K in FY20-21 and \$364K in FY22-23)

The bill adds \$3.9 million of state and federal funds to the Fraud Prevention Investigations grant program. These grant funds will increase the number of investigators in a given county or region, and/or fund positions in counties that are not currently participating in this program. Additionally, the Department will receive one additional FTE to assist with grant oversight and training. In total, this bill allows for the hiring of approximately seven additional investigators in counties. It is expected that these additional investigators will return \$204 thousand in FYs 20-21 and \$364 thousand in FYs 22-23.

Strengthening Oversight of the Child Care Assistance Program (\$2.1 million in FY20-21 and \$2.4 million in FY22-23)

Expands the Office of Inspector General by adding two data analysts to enhance FFAID's ability to identify, detect, and prevent fraud and abuse in Minnesota's CCAP program. Adding data analytic capacity provides needed assistance in finding fraud and allowing the CCAP Investigations Unit within FFAID to focus its limited resources in areas with the greatest risk of fraud. The legislation also allows the Licensing Division to conduct more frequent inspections to ensure the health and safety of children in care, provide technical assistance for newly-licensed programs, monitor struggling programs more closely, and evaluate whether the program should be referred to FFAID for further evaluation. The fiscal impact is \$2.09 million in FYs 20-21 and \$2.42 million in FYs 22-23.

Licensing Division

Modifications Affecting All Types of Child Care

[Laws of Minnesota, First Special Session, Chapter 9](#)

Effective September 30, 2019, unless otherwise noted

Licensing data (policy only)

Correction orders and licensing fines that are more than seven years old will be classified as private data or nonpublic data, which means they cannot be made available to the general public upon request.

Effective August 1, 2019. (Article 2, Section 3)

Exit interviews (policy only)

Licensors cannot issue a correction order or licensing action for violations of rule or law that are not discussed during an exit interview, unless the provider does not participate in or complete the exit interview. (Article 2, Section 26)

License format (policy only)

The language printed on licenses is changing. The licenses will now state that parents who have *questions* about their child's care may call the licensing agency. DHS will reduce the size of the font used to print the licensing agency's telephone number because it is no longer required to print the telephone number in bold and large font. Effective day following final enactment. (Article 2, Section 45)

Changes to telephone requirements (policy only)

Providers are no longer required to post emergency numbers by their phones. The law also clarifies that a cell phone can be used to meet the telephone requirement. (Article 2, Sections 52 and 56)

Record keeping and documentation requirements (policy only)

DHS will review child care licensing and background studies record keeping and documentation requirements to identify if they could be streamlined. DHS will establish a process for providers to submit information to DHS electronically. (Article 2, Section 133)

Children's Residential Facilities Licensing Modifications

Laws of Minnesota, First Special Session, Chapter 9

Effective September 30, 2019

Transporting children (policy only)

Training on the proper use and installation of child passenger restraint systems is required before transporting a child under 8 years old (previous requirement was under 9 years old). (Article 2, Section 49)

Child Care Center Licensing Modifications

Laws of Minnesota, First Special Session, Chapter 9

All sections effective September 30, 2019

Supervision policy (policy only)

Within the licensed space, a school-age child may use the restroom and retrieve items from a cubby/locker without direct sight and sound supervision. A program staff person must have knowledge of the child's whereabouts and check on the child at least every five minutes. (Article 2, Section 21)

Transporting children in care (policy only)

Training on the proper use and installation of child restraint systems is required before transporting a child under 8 years old (previous requirement was under 9 years old). Anyone with a current, valid driver's license may transport children. The driver is not required to have a Minnesota driver's license. (Article 2, Sections 42 and 51)

Reusable water bottle and cup policy (policy only)

Centers that develop a written policy that includes all requirements and follows Minnesota food code sanitation and health requirements may offer children drinking water in a reusable water bottle or cup rather than a disposable cup. A variance will no longer be required. (Article 2, Section 43)

In-Service training hours (policy only)

The overall number of in-service training hours each calendar year is reduced to 24 hours for staff who work 20+ hours/week and 12 hours for those who work less than 20 hours/week. In addition, it clarifies who needs to complete in-service training and what types of training need to be completed at specific frequencies. (Article 2, Section 51)

Training requirements (policy only)

The center director, all staff, substitutes and unsupervised volunteers must receive Orientation, Child Development, First Aid, and CPR training initially and ongoing. If applicable, these individuals must also complete Sudden Unexpected Infant Death, Abusive Head Trauma Prevention, and Child Passenger Restraint System training. Training documentation must now include the person's first date of direct contact and first date of unsupervised contact with children. These changes bring Minnesota into

compliance with the federal Child Care Development Block Grant Reauthorization Act of 2014. (Article 2, Section 51)

Renewal deadlines (policy only)

All training and review of policies are moved from annual to calendar year. (Article 2, Sections 51 and 52)

Emergency plan (policy only)

Centers must include accommodations for infants and toddlers in their emergency plan, if applicable. (Article 2, Section 52)

Certified License-Exempt Child Care Center Modifications

Laws of Minnesota, First Special Session, Chapter 9

All sections effective September 30, 2019

Fire marshal inspection options (policy only)

Certified centers that need a fire inspection will be required to pay \$50 to the state fire marshal for the inspection. (Article 2, Section 47 and 92)

Due process rights (policy only)

Certified centers that are denied certification may request reconsideration. Those that lose certification, including due to a finding of maltreatment or revocation of child care assistance payment authorization, may request reconsideration. (Article 2, Sections 88 and 89)

Written policies (policy only)

Certified centers must maintain written health and safety policies and reporting abuse and neglect policies. (Article 2, Sections 91 and 94)

Risk reduction plan (policy only)

Certified centers must create a basic plan to minimize risks focusing on traffic, water, and electrical hazards. (Article 2, Section 93)

Behavior guidance (policy only)

Certified centers must ensure staff and volunteers use positive behavior guidance and prohibit staff from engaging in behavior that may harm children. (Article 2, Section 95)

Supervision of children (policy only)

Certified centers must follow basic supervision requirements. Staff may allow for variation based upon the ages and needs of the children and must intervene when necessary to ensure a child's safety. (Article 2, Section 96)

Training requirements and Renewal deadlines (policy only)

The certified center director, all staff, substitutes and unsupervised volunteers must receive Pediatric First Aid and CPR, Child Development, Orientation and In-Service training initially and ongoing. If applicable, these individuals must also complete Sudden Unexpected Infant Death and Abusive Head Trauma Prevention training. There is no minimum number of hours required for substitutes or unsupervised volunteers. These changes bring Minnesota into compliance with the federal Child Care Development Block Grant Reauthorization Act of 2014. These sections also ensure that all training and reviews of policies are moved from annual to calendar year. (Article 2, Sections 97-102)

Emergency plan (policy only)

Certified centers must include accommodations for infants and toddlers in their emergency plan if their program serves those ages. (Article 2, Section 103)

Foster Care Licensing Modifications

[Laws of Minnesota, First Special Session, Chapter 9](#)

Various effective dates

CARS training (policy only)

A variance to the child passenger restraint systems training requirement may be granted for an emergency relative placement, so long as the individual has completed an approved child seat safety check up and repeats the checkup each time the child needs a different size car seat. Additionally, the age for which training on the proper use and installation of child restraint systems in motor vehicles is required is reduced for transporting children under 9-years-old to children under 8-years-old. Effective September 30, 2019. (Article 2, Section 49)

Variances for capacity (policy only)

The conditions under which a county can grant a variance for exceeding capacity will change to bring Minnesota into compliance with new federal requirements. Any variances for capacity that are issued prior to October 1, 2019, will remain in effect until January 1, 2020. Effective October 1, 2019. (Article 2, Section 30)

Family Child Care Licensing Modifications

[Laws of Minnesota, First Special Session, Chapter 9](#)

Effective September 30, 2019, unless otherwise noted

Clarification when requirements are disputed (policy only)

Providers may seek clarification from DHS if they dispute their county licenser's interpretation of a licensing requirement during a licensing inspection or exit interview. County licensers cannot issue a correction order for the disputed licensing requirement until DHS has provided clarification to the licenser and provider about the requirement. (Article 2, Section 26)

Plain-language handbook (policy only)

By Jan. 1, 2020, DHS will develop a plain-language handbook that describes the process and requirements to become a licensed family child care provider. Effective the day following enactment. (Article 2, Section 32)

Special family child care (policy only)

The law clarifies that when there are two or more licensed providers operating their programs in the same building, each program must function as a distinct program and follow applicable rules and laws. It expands the availability of this type of care by allowing the commissioner to grant variances for: primary care providers, nonprofit organizations, church or religious organizations, employers, or community collaboratives to be licensed as special family child care providers. (Article 2, Section 40)

Reporting suspected child maltreatment policies and procedures (policy only)

Providers will need to use DHS' policies and procedures for reporting suspected child maltreatment. (Article 2, Section 44)

Variance for extended use of substitutes (policy only)

DHS may grant time-limited variances to providers who need to use substitute caregivers for more than 500 hours annually. Providers who are granted variances must notify parents and guardians. (Article 2, Section 48)

Supervision of provider's own child (policy only)

This law clarifies that under certain conditions an individual who is related to the provider may be in the home and may supervise the provider's own child without completing training requirements. (Article 2, Section 46)

Reporting fires in providers' homes by county agencies (policy only)

Licensors will need to report to DHS and the State Fire Marshal when there is a fire in a family child care setting that required the service of a fire department. (Article 2, Section 48)

Training requirements following relocation (policy only)

A licensed child care provider who relocates within the state does not need to complete orientation training. (Article 2, Section 53)

Emergency preparedness plan (policy only)

Emergency plans will need to include how providers would accommodate infants and toddlers in the case of an emergency. Although the plan will need to be available upon request of a parent/guardian, providers no longer need to post or share emergency plans with parents or guardians. (Article 2, Section 54)

Fire code (policy only)

The law updates family child care fire code standards to align with the State Fire Code, almost all of which are a reduction in requirements. (Article 2, Section 57)

Emergency replacement (policy only)

In an emergency, when a provider needs to close down their business for the day, an adult who has not completed training or a background study may stay with the children if certain conditions are met. (Article 2, Section 58)

Use of substitutes (policy only)

Providers can now use substitute caregivers for up to 500 hours annually rather than 30 days in a calendar year. Providers must document the substitute caregivers' names and the dates and number of hours for which they provided care. (Article 2, Section 58)

Correction order analysis (policy only)

DHS will review licensing inspection results to identify trends and inconsistencies and provide training if necessary. Effective the day following enactment. (Article 2, Section 128)

Family Child Care Task Force (policy and budget - \$121,000 in FY 2020)

A family child care task force will convene to discuss family child care topics. The task force will consist of 25 members, including family child care providers, family child care provider association appointees, state representatives, state senators, a DHS designee, parents of children in family child care programs, and other stakeholders. The task force's duties include discussing family child care rules and statutes and providers' concerns about the current regulations and oversight. Members will review family child care participation, in general, as well as participation in the Parent Aware program. The task force will discuss ways to address issues and concerns, which may result in recommendations to develop a tiered violation system and/or an alternative child care delivery system. Effective the day following enactment. The first meeting must be held by Aug. 15, 2019. (Article 2, Section 132)

Home and Community-based Services Licensing Modifications

Laws of Minnesota, First Special Session, Chapter 9

Effective July 1, 2019, unless otherwise noted

New waiver services to chapter 245D applicability (policy only)

The law updates the applicability section of chapter 245D to include new waiver services. Effective January 1, 2021, or upon federal approval, whichever is later. (Article 5, Section 11)

Service plan review and evaluation (policy only)

When license holders annually meet with a person and their legal representative and case manager, the discussion must include how technology might be used to meet the person's desired outcomes. The coordinated service and support plan addendum must include a summary of this discussion. However, this does not require technology to be used for the provision of services. (Article 5, Section 13)

Annual training (policy only)

The law eliminates the minimum number of hours that annual training required for direct service staff providing intensive or basic services. Direct service staff providing intensive or basic services still need to complete annual training on the same topics that are currently required. (Article 5, Section 14)

Alternative sources of training (policy only)

DHS will no longer be responsible for preapproving trainings or approving alternative online trainings or competency based assessments. (Article 5, Section 15)

Positive support qualifications (policy only)

The law modifies the titles and qualifications for staff replacing behavior support services with positive support services. (Article 5, Sections 16, 17, and 18)

Integrated community supports setting's capacity report (policy only)

License holders that provide integrated community supports must submit a setting's capacity report to DHS. Only one license holder may deliver integrated community supports in a multifamily housing building. Effective upon date of federal approval. (Article 5, Section 19)

Modifications Affecting Substance Use Disorder Treatment Programs and Withdrawal Management Programs

Laws of Minnesota, First Special Session, Chapter 9

Effective July 1, 2019, unless otherwise specified

Admission Criteria (policy only)

The admission criteria for clients are changed. (Article 6, Section 5)

Definitions (policy only)

The following terms are now defined: day of service initiation, group counseling, person-centered, staff member, treatment week and volunteer. The definitions for client and student intern are updated. (Article 6, Section 6-13)

Initial services plan (policy only)

The timeline for completion is extended. The plan must be person-centered and client-specific. The standards for addressing the needs of the client are clarified. (Article 6, Section 14)

Comprehensive assessment and assessment summary (policy only)

The timeline for completion is extended for nonresidential programs. Requirements for using a comprehensive assessment completed prior to service initiation are changed. Details were added to several assessment items. The timeline for completion is clarified for nonresidential programs. (Article 6, Section 15)

Treatment plan (policy only)

The timeline for completion is extended. The plans must be person-centered and updated based on the client's level of participation. Family involvement requirement is revised. Specific goals are added to the list of items required in the treatment plan. Nonresidential programs must document the specific services the client has an assessed need for and the plan to provide the services. (Article 6, Section 16-17)

Service discharge summary (policy only)

Timeline for completion is simplified. Requires the program to provide the client a copy of the service discharge summary upon request. The list of items required in the summary is revised and is now the same regardless of discharge type. (Article 6, Section 18)

Treatment services (policy only)

Peer recovery support services is changed from a required to an additional treatment service. Care coordination is renamed treatment coordination. Qualification requirements for people providing treatment services are changed. DHS will maintain a current list of the professionals qualified to provide treatment services. Programs may provide the following services off-site if certain conditions are met: therapeutic recreation, stress management and physical well-being, living skills development, employment services and educational services. (Article 19, Section 19)

Naloxone (policy only)

Training requirements for administering naloxone are revised. (Article 6, Section 20)

Group size (policy only)

The number of clients who are allowed to receive a group treatment service together is changed. The number of clients who are allowed in a group will now depend on the type of treatment service and the method of payment for the treatment service. Requirements for group sizes are in Minnesota Statutes, sections 245G.10, subdivision 4 and 254B.05, subdivision 5, paragraph (g) and programs must meet the requirements in both. (Article 6, Sections 21 and 49)

Treatment coordinator (policy only)

Qualifications for this position are revised. Mental health professionals, with substance use treatment and assessments within their scope of practice, may provide supervision to a treatment coordinator. Decreases the frequency of supervision from weekly to monthly. (Article 6, Section 22; Article 2, Section 83)

Recovery peer qualifications (policy only)

Updates credentials required for the position. (Article 6, Section 23)

Description of treatment services (policy only)

The description must identify which services meet the definition of group counseling and must define the program's treatment week. (Article 6, Section 24)

Indirect services (policy only)

Eliminates requirement for adolescent programs to allocate 25% of staff time to indirect services. (Article 6, Section 28)

Opioid Treatment Programs (policy only)

Requires programs to comply with existing requirements of other state and federal agencies. Prescribers, that are not physicians, may complete most duties currently required to be completed by a physician, if the prescriber meets the qualifications for a practitioner. The eight- point criteria now must be completed for take home doses for Sundays and state and federal holidays, in addition to all other days. Revises progress note and treatment plan review requirements. Prescription monitoring program requirements are revised. The medical director must be informed of possible diversion issues. (Article 6, Sections 30-39)

Direction to Commissioner (policy only)

Requires DHS to work with stakeholders to develop a plan to minimize regulatory paperwork for substance use disorder treatment programs, withdrawal management programs, and children's residential facilities providing substance use disorder treatment. (Article 6, Section 76)

*Other Human Services Licensing Modifications***Laws of Minnesota, First Special Session, Chapter 9**

Various effective dates

New definition of residential program for chapter 245D (policy only)

The new law clarifies the definition of residential program for the purposes of HCBS provided under chapter 245D to spell out when a provider needs a residential setting license. Effective January 1, 2020. (Article 2, Section 20)

Ownership of programs

Several changes were made to Minnesota Statutes, chapter 245A, to make transferring the ownership of licensed programs easier for providers and to ensure DHS has accurate and current information regarding the owners and operation of licensed programs:

- License holders are required to notify DHS of changes to the ownership or operation of a program.
- Types of changes are listed that constitute a change of ownership and that require the new owner to apply for a new license.
- Changes that are not considered a change of ownership are also described.
- Procedures are established for DHS to be involved during a change of ownership.
- A new type of license may be issued when needed to allow the existing owner and the new owner to operate a program together while the new owner's license application is evaluated.
- Streamlined application processes are available to support continuity of program services.

Effective January 1, 2020. (Article 2, Sections 22-24; 26-29; 31, 33, and 34)

Out of state applicants

License applicants with headquarters outside of Minnesota must have a program office located within 30 miles of the Minnesota border for the purpose of applying for a license (previously an applicant had to have a program office in Minnesota). Effective January 1, 2020. (Article 2, Section 24)

Municipality Notification

Allows DHS to provide required notification to municipalities prior to issuing a license through electronic communication. Effective January 1, 2020. (Article 2, Section 25)

Programs not serving clients

DHS may close a license if a program has not served a client for 12 consecutive months or longer. This action is subject to reconsideration. Effective January 1, 2020. (Article 2, Section 35)

Temporary immediate suspension

A license will be temporarily immediately suspended if the license holder is criminally charged with an offense that involves fraud or theft against a program administered by DHS. Effective January 1, 2020. (Article 2, Sections 37 and 38)

Mandatory fraud reporting (policy only)

Licensors must immediately report any suspected fraud to county human services investigators or the DHS Office of Inspector General. Effective July 1, 2019. (Article 2, Section 50)

Clients with children programs - fire code (policy only)

Updates fire code standards to align with current State Fire Code. Most of the updates are a reduction in requirements. Effective September 30, 2019. (Article 2, Section 84)

Adult Day Care Oversight Improvements (\$269K in FY20-21 and \$270K in FY22-23)

Funding to provide adequate staffing to meet statutory and policy requirements of licensing activity related to adult day centers. With this proposal, DHS' Home and Community-Based Services Licensing section would be able to conduct on-site reviews of licensed adult day centers at least once every two years. Adult day centers with licensing compliance concerns, including conditional licenses, would continue to receive heightened monitoring and assistance. This proposal has a net General Fund impact of \$135,000 per year to add 2.0 FTE adult day center licensors to provide additional support to the adult day center licensing activity and provide biennial reviews of adult day care centers.

Background Studies Division

Assisted Living Licensure

[Laws of Minnesota, 2019 Regular Session, chapter 60](#)

Effective August 1, 2021

Assisted living licensure

Adds assisted living facilities and assisted living facilities with dementia care to the entities required to have background studies under a contract between the commissioner of health and the commissioner of human services. Requires a controlling individual or managerial official of an assisted living facility to have a background study prior to the commissioner of health issuing a provisional license, issuing a license resulting from an ownership change, or renewing a license. Requires employees, contractors, and volunteers to have background studies. Classifies data collected as private data. (Article 1, section 7; article 4, section 4)

Family First Prevention Services Act

[Laws of Minnesota 2019, 1st Special Session, chapter 9](#)

Effective July 1, 2019

Family First Prevention Services Act

Requires new background studies for individuals connected with a licensed children's residential facility. Individuals employed by a licensed children's residential facility that serves children eligible to receive federal Title IV-E funding must complete the new background study by March 1, 2020. Individuals connected with a licensed children's residential facility that serves children not receiving federal Title IV-

E funding must complete the new background study by March 1, 2021. Requires fingerprints and photographs for studies related to children's residential facilities. Clarifies fingerprints are not retained by the FBI. Requires cost recovery for children's residential facilities studies, with a fee not exceeding \$51 per study. (Article 1, Section 36; and article 2, Sections 63, 65, 67, 69, 71, and 78)

Child Care Federal Compliance

Laws of Minnesota, 2019 1st Special Session, chapter 9

Effective July 1, 2019

Child care federal compliance (\$281K in FY20-21 and \$322K in FY22-23)

Clarifies who needs a study for child care programs and details exclusions for individuals providing services that are not part of the child care program. Requires all adults and individuals 17 and younger who are employed by a child care program (or when there is reasonable cause) to submit non-fingerprint-based data for a search of the out of state criminal and sex offender registries in any state where the subject has lived in the last 5 years and a national sex offender registry. Requires a study subject affiliated with a licensed child care center or a certified license exempt child care center to be under continuous direct supervision prior to completion of the background study. Allows the commissioner to issue a clearance notice for a study subject if 1) another state has not responded to a request for criminal, sex offender, or maltreatment information after 10 days, and 2) this is the only reason that the study could not be cleared. (Article 2, Sections 61-62; 65; 68-69; and 73)

FBI Compliance

Laws of Minnesota 2019, 1st Special Session, chapter 9

Effective October 1, 2019

FBI compliance

Makes it explicit that if the Commissioner of Human Services makes a disqualification determination using information from a national criminal history record check:

- This data is private.
- This data cannot be shared with private agencies, employers, or counties.
- A prospective employer is not required to obtain a copy of a subject's disqualification letter (which lists the crime(s) for which they are disqualified). Establishes that information from a national criminal history record check is private data and cannot be shared with county agencies, private agencies, or prospective employers.

(Article 2, Sections 66 and 70)

Substance Use Disorder Set Aside

Laws of Minnesota, 2019 1st Special Session, chapter 9

Effective January 1, 2020

Substance use disorder set aside

Requires the DHS and MDH commissioners to set aside a disqualification for an individual in the substance use disorder field who requests reconsideration and meets the following criteria: The individual may not have been disqualified for specified crimes. The individual must have documentation of successful treatment completed at least one year prior the request for reconsideration with no disqualifying crimes during that time and have documentation of abstinence from controlled substances for at least one year. (Article 2, Sections 12, 64, 74, and 75)

Permanent Bar Set Aside

[Laws of Minnesota 2019, 1st Special Session, chapter 9](#)

Effective January 1, 2020

Permanent bar set aside

Allows for the set aside of a permanent bar for an individual employed in the nonemergency medical transportation services field if more than 40 years have passed since sentence discharge. (Article 2, Section 77)

Professional Educator Licensing and Standards Board (PELSB) Background Studies

[Laws of Minnesota, 2019 1st Special Session, chapter 11](#)

Effective July 1, 2019

Professional Educator Licensing and Standards Board background studies

Requires PELSB to contract with DHS to conduct background studies for first time teaching license applicants. (Article 3, Section 6)

Head Start Background Studies

[Laws of Minnesota 2019, 1st Special Session, chapter 11](#)

Effective July 1, 2019

Head Start background studies

Enables Head Start programs receiving 119A.52 funding to contract with the commissioner to conduct background studies on individuals affiliated with the program. Requires a national criminal history record check. Exempts programs that do not contract with the commissioner, are not licensed, and are not registered to receive payments under 119B from 245C requirements. Clarifies that nothing in this section supersedes background study requirements in 119B or 245H or programs registered to receive 119B payments. Requires transferable background studies to include all components of studies for a certified license-exempt child care center under 245C. (Article 8, Section 10)

Tribal Organization Background Studies

[Laws of Minnesota 2019, 1st Special Session, chapter 11](#)

Effective on July 1, 2019

Tribal organization background studies

Enables tribal organizations to contract with the commissioner to conduct background studies on individuals affiliated with a child care program sponsored, managed, or licensed by a tribal organization. Requires a national criminal history record check on those individuals. Exempts tribally affiliated child care program that does not contract with the commissioner from requirements of 245C. Requires transferable background studies to include all components of studies for a certified license-exempt child care center under 245C. (Article 8, Section 9)

Business Solutions Office

Systems Modernization

[Laws of Minnesota, 2019 1st Special Session, Chapter 9](#)

Effective July 1, 2019

Service Delivery Transformation (\$20 million in FY20-21)

\$20 million for the biennium to support efforts foundational to transforming the human services delivery system and to provide a more integrated, person-centered user experience for all Minnesotans served by the system. Funding will be used to support DHS as it works in partnership with counties, tribal nations and other partners and providers of human services on service delivery redesign, program simplification and alignment, and long-term implementation planning.

DHS Children and Family Services Administration

Child Care Services Division

Child Care Assistance Program Improvements

[Laws of Minnesota, 2019 1st Special Session, Chapter 9](#)

Various effective dates

CCAP program improvements – federal compliance (\$659,000 in FY 2020-21 and \$452,000 in FY 2022-23)

Supports family stability and improves the school readiness of children served in child care settings. Also brings Minnesota into compliance with federal requirements for the Child Care Development Block Grant. Program improvements are made by:

Fully implementing 12-month eligibility through changing or eliminating three situations where families can lose eligibility during the 12-month eligibility period: (1) eliminates the 6-month limit on Portability Pool for families who move between counties; (2) allows families who receive MFIP for 1 out of the last 6 months to receive Transition Year child care; and (3) allows children who reach the age limit to continue receiving assistance until redetermination. Effective December 2, 2019; March 23, 2020; and June 29, 2020. (*Article 1, §§ 3, 7, 8 and 9; tracking line 154*)

Expediting the application process and waiving activity requirements for homeless families for up to 3 months. Effective September 21, 2020. (*Article 1, § 1, 5 and 10; tracking line 154*)

Conducting a market rate survey every three years instead of every two years. Effective the day following enactment. The legislation does not include updating the maximum rates paid to child care providers.

(*Article 1, § 4 and Article 14, § 2, subd. 4(c); tracking line N/A*)

Expanding due process rights for child care providers. Gives providers a right to a fair hearing or an administrative review when negative actions are taken against them. Effective February 26, 2021. (*Article 1, §§ 11 – 18, 43 and Article 2, § 89; tracking line 154*)

Requiring that out-of-state child care providers meet federal health and safety required to receive child care assistance. Effective July 1, 2019. (*Article 1, § 2; tracking line N/A*)

Child Care Assistance Program Integrity

Laws of Minnesota, 2019 1st Special Session, Chapter 9

Various effective dates

Improvements to CCAP program integrity (savings of \$2,100,000 in FY 2020-21 and \$2,829,000 in FY 2022-23)

Increases accountability and helps ensure Child Care Assistance Program funds are spent with financial and administrative integrity. Changes address program integrity concerns by:

- Requiring written notice at application and redetermination about what constitutes fraud and consequences of committing fraud. Applicant/participant must acknowledge receipt of fraud notice in writing. Effective September 1, 2019. (*Article 1, § 6; tracking line N/A*)
- Clarifying DHS' ability to share investigative data with law enforcement and other agencies. Effective August 1, 2019. (*Article 2, § 2; tracking line N/A*)
- Shortening retroactive eligibility for MFIP child care to three months from the date of application. This reduces the risk of CCAP payments being made for care that cannot be confirmed. Effective July 1, 2019. (*Article 2, § 8; tracking line 208*)
- Clarifying provider attendance record keeping requirements by: (1) specifying records must be accurate and legible, (2) clarifying that records not provided at the date and time of request are inadmissible if offered as evidence in future proceedings, and (3) simplifying the process for calculating attendance record overpayments. Effective July 1, 2019. (*Article 2, § 9; tracking line 208*)
- Allowing agencies to enforce a penalty when a provider fails to meet the existing requirement to report when a child's actual attendance drops to less than half of their scheduled hours or days in a four-week period. Effective July 1, 2019. (*Article 2, § 10; tracking line N/A*)
- Clarifying that providers must mark absent days and holidays on billing forms on days when children do not attend care. Effective July 1, 2019. (*Article 2, § 11; tracking line N/A*)
- Clarifying existing law that allows DHS to exclude, disenroll, revoke or suspend a license, disqualify, or debar an excluded provider, vendor, or individual in any program administered by the commissioner if the entity is already subject to an exclusion in another human services program. Effective the day following enactment. (*Article 2, § 13; tracking line N/A*)
- Defining parameters, policies, and procedures around changes in center ownership. Allows DHS to more accurately identify who should be held responsible for actions associated with a specific licensed program or service. Requires license holders to notify DHS regarding any changes in the people who are responsible with operating a program. Effective January 1, 2020. (*Article 2, §§ 28 and 33; tracking line N/A*)
- Strengthening administrative disqualifications for child care providers by increasing the penalty period to three years for the first offense and permanently for any subsequent offenses. Effective August 1, 2019. (*Article 2, §§ 106, 107 and 109; tracking line N/A*)

- Lowering the standard of proof for provider fraud to “preponderance of the evidence.” Effective August 1, 2019. (*Article 2, §§ 107 – 108; tracking line N/A*)
- Clarifying county and tribal agencies have the authority to: investigate provider fraud and immediately stop payments when there is a preponderance of the evidence a provider committed fraud. Effective February 26, 2021. (*Article 2, § 110; tracking line N/A*)
- Refer to the summary for **Operations** for additional measures intended to improve program integrity within the Child Care Assistance Program.

CCAP provider registration and oversight planning position (\$153,000 in FY 2020-21 only)

Appropriates one-time funds for one temporary staff person at DHS to plan for improvements to provider registration and oversight for the Child Care Assistance Program. This position will also explore options for electronic attendance record keeping. DHS will report back to the legislature in early 2021 with findings. Effective July 1, 2019. (*Article 14, § 2 Subd. 4 (c); tracking line 274*)

Child Care Assistance Program – Data Sharing

Laws of Minnesota, 2019 1st Special Session, Chapter 9

Effective the day following enactment

Sharing CCAP data (Policy Only)

Expands DHS’s ability to share Child Care Assistance Program data in the following instances:

- Allows CCAP data to be shared with the Minnesota Department of Education (MDE). This will help ensure appropriate use of public funds and help inform coordination between DHS and MDE to better serve children and families. (*Article 2, § 1; tracking line N/A*)
- Allows CCAP payment data to be shared when a child care center has been disqualified, has violated policies that resulted in payments being stopped, or when a center receives CCAP payments of more than \$100,000 per year. Information about the individual families or children for whom payment was made will not be public. (*Article 2, §§ 4 and 7; tracking line N/A*)

Child Care Assistance Program – Duplicate Language Repeal

Laws of Minnesota, 2019 1st Special Session, Chapter 9

Effective August 1, 2019

Repeal duplicative CCAP language (policy only)

Repeals language in 119B.125, subd. 8, that is similar but not identical to language in another subdivision. This is a technical change that will have no impact on families or providers. (*Article 2, § 134; tracking line N/A*)

Child Care Assistance Program – Basic Sliding Fee Child Care Underspending

Laws of Minnesota, 2019 1st Special Session, Chapter 9

Effective July 1, 2019

Use of CCAP Basic Sliding Fee Child Care underspending (savings of \$8,911,000 in FY2020-21)

Utilizes unspent Basic Sliding Fee Child Care funds from Calendar Year 2018 to help with overall funding for the Health and Human Services omnibus bill. Typically, unspent funds are reinvested into Basic Sliding Fee Child Care. (*Tracking line 178*)

Child Care Facility Property Tax Exemption

Laws of Minnesota, 2019 1st Special Session, Chapter 6

Effective beginning with assessment year 2019, for taxes payable in 2020

Property Tax Exemption for Certain Child Care Facilities

Authorizes a property tax exemption for licensed child care facilities that are owned and operated by a 501(c)(3) nonprofit charitable organization and that accepts families participating in the Child Care Assistance Program. (*Article 4, § 7; tracking line 32*)

Funding for Child Care Capacity Building

Laws of Minnesota, 2019 1st Special Session, Chapter 7

Effective July 1, 2019

Minnesota Initiative Foundation (MIF) Child Care Capacity Building (\$750,000 in FY 2020-21 and 2022-23; funds are available until June 30, 2023)

Provides new state funds that will be administered by DEED for the purpose of increasing child care capacity. For this purpose, funds must be used to: facilitate planning processes in rural communities to increase supply of quality child care, engage the private sector to invest to support community solution action plan, provide locally-based training and TA through a learning cohort; and recruit child care programs to participate in Parent Aware and to offer enhanced level of coaching

The MIFs are current DHS grantees. (*Article 1, § 2(m); tracking line 29*)

Child Safety and Permanency Division

American Indian Child Welfare Initiative Expansion

Laws of Minnesota, 2019 1st Special Session, Chapter 9

Effective July 1, 2019

Expand the American Indian Child Welfare Initiative (\$15.4 million in FY 2020-21 and \$25 million in FY 2022-23)

Expands the Child Welfare Initiative to include Red Lake Nation and the Mille Lacs Band of Ojibwe. Currently, only White Earth Nation and the Leech Lake Band are Initiative tribes. The Initiative allows participating tribes to manage all aspects of child welfare services for tribal families that live on their respective reservations.

Includes language ensuring that an Initiative tribe can determine maltreatment using methods other than the Minnesota Maltreatment of Minors Act (Minn. Stat. § 626.556) if:

The commissioner determines that the alternative methods comply with § 626.556, subdivision 1; and
The tribe can demonstrate that screening, investigation, and assessment of reports of child maltreatment procedures have been codified by the tribe.

Provides additional funds to existing Initiative tribes and establishes the American Indian Family Early Intervention Program to enable grantees to provide culturally-appropriate early intervention services and resources to address issues that place American Indians at risk of entering Minnesota's child protection system. (*Article 1, § 19; tracking line 196*)

Elimination of Child Welfare Grants to Counties Withhold

Laws of Minnesota, 2019 1st Special Session, Chapter 9

Effective July 1, 2019

County Performance on Child Protection Matters (policy only)

Eliminates DHS's authority to withhold 20 percent of counties' child protection grants when a county does not meet specified performance measures. It allows the commissioner of DHS to re-direct up to 20 percent of child protection grants toward a program improvement plan for a county not meeting criteria and not demonstrating significant improvement. (*Article 1, §§ 21-22; tracking line N/A*)

Family First Prevention Services Act Implementation

Laws of Minnesota, 2019 1st Special Session, Chapter 9

Effective July 1, 2019

Family First Prevention Services Act Implementation (\$1.9 million in FY 2020-21 and \$1.4 million in FY 2022-23)

Provides the state infrastructure needed to implement new federal child welfare requirements of the Family First Prevention Services Act (FFPSA), including staff and policy changes. Specifically, enactment of this legislation:

Prepares the state for implementation of the FFPSA by looking at ways to invest in upstream services and avoid disruptions to children and families as federal laws governing IV-E reimbursements changes;
Provides funds to develop and expand the evidence-based prevention services array that meets title IV-E program requirements;

Creates stricter residential facility requirements and assessment standards for residential services;

Develops and provides for maintenance of a statewide kinship navigator program;

Clarifies federal claiming and reporting changes for Foster Care, Adoption Assistance, Guardianship Assistance, Prevention Services, and Kinship Navigator programs;

Ensures appropriate regulatory implementation; and

Provides for enhanced background checks.

The purpose of the FFPSA is to provide enhanced support to children and families and prevent foster care placements through the provision of evidence-based mental health and substance abuse prevention and treatment services, in-home parent skill-based programs, and kinship navigator services. The FFPSA also places stricter standards on congregate foster care settings and requires additional background studies.

(*Article 1, §§ 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, and 36; and Article 2, §§ 30, 63, 65, 67, 69, 71, and 78; tracking line 196*)

Child Welfare Training Academy

Laws of Minnesota, 2019 1st Special Session, Chapter 9

Effective July 1, 2019

Child Welfare Training Academy (\$4.2 million in FY 2020-21 and \$5.8 million in FY 2022-23)

Creates a Child Welfare Training Academy with five regional hubs, administered in partnership with the University of Minnesota. Includes requirements for training methods used, certification of both child welfare workers and supervisors, and the ongoing development of training requirements by DHS. The legislation also provides one-time funding to conduct a child welfare caseload study, looking at (1) the number of child welfare workers in Minnesota, and (2) the amount of time that child welfare workers spend on different components of child welfare work. (*Article 1, §§ 37-38; and Article 14, § 2, subd. 4(b); tracking line 190*)

Direction to Commissioner: Family First Prevention Kinship Services

Laws of Minnesota, 2019 1st Special Session, Chapter 9

Effective July 1, 2019

Family First Prevention Kinship Services (policy only)

Requires the commissioner of human services to review opportunities to implement kinship navigator models that support placement of children with relative foster parents in anticipation of reimbursement for eligible services under the Family First Prevention Services Act. (*Article 1, § 40; tracking line N/A*)

Direction to Commissioner: Relative Search

Laws of Minnesota, 2019 1st Special Session, Chapter 9

Effective July 1, 2019

Relative Search (policy only)

Requires the commissioner of human services to develop and provide guidance to assist local social service agencies in conducting relative searches via a policy bulletin by January 1, 2020. (*Article 1, § 41; tracking line N/A*)

Parent Support for Better Outcomes

Laws of Minnesota, 2019 1st Special Session, Chapter 9

Effective July 1, 2019

Funding for Grants to Minnesota One-Stop for Communities (\$300,000 for FY 2020-21)

Provides \$150,000 per year for state fiscal years 2020 and 2021 through a new, one-time grant to Minnesota One-Stop for Communities to provide mentoring, guidance and support services to parents navigating the child welfare system in Minnesota in order to promote the development of safe, stable, and healthy families. Grant funds may be used for parent mentoring, peer-to-peer support groups, housing support services, training, staffing, and administrative costs. (*Article 14, § 2, subd. 22(b); tracking line 330*)

Child Passenger Restraint Systems; Training Requirement

Laws of Minnesota, 2019 1st Special Session, Chapter 9

Effective July 1, 2019

Training requirement modified for relative foster care providers (policy only)

For emergency relative placements, DHS may grant a variance to the child passenger restraint systems training for a relative who completes a child seat safety check-up approved by the Department of Public Safety, Office of Traffic Safety. (*Article 2, §49; tracking line N/A*)

Closing Gaps in Health Care Coverage for Children in Foster Care

Laws of Minnesota, 2019 1st Special Session, Chapter 9

Effective January 1, 2020, or upon federal approval, whichever is later

Medical assistance for subsidized foster children. (\$363,000 in FY 2020-21 and \$1.8 million in FY 2022-23)

Medical assistance is expanded to categorically include children eligible for foster care or kinship assistance under chapter 256N. (*Article 7, §18; tracking line 870*)

Definition of Sexual Abuse

Laws of Minnesota, 2019, 1st Special Session, Chapter 5

Effective July 1, 2019

Expands the definition of sexual abuse in the Maltreatment of Minors Act (policy only)

Expands the definition of sexual abuse by adding “current or recent” to “position of authority”. (*Article 4, §19; tracking N/A*)

Expansion of Predatory Offender Registry

Laws of Minnesota, 2019, 1st Special Session, Chapter 5

Effective July 1, 2019

Expands who must be included on state’s predatory offender registry (policy only)

Expands the offender registry to include individuals charged and convicted of surreptitious intrusion and those convicted of or adjudicated delinquent for a specific list of offenses, including those committed in other countries, thereby expanding the definition of sexual abuse in the Maltreatment of Minors Act. (*Article 5, §3; tracking line N/A*)

Appropriation: Mahnomen County

Laws of Minnesota, 2019, 1st Special Session, Chapter 6

Effective July 15, 2019

Appropriates funding to Mahnomen County (\$500,000 in FY 2020)

Appropriates \$500,000 to Mahnomen County in fiscal year 2020. Of this amount, \$250,000 must be used by the county for the Mahnomen Health Center, and \$250,000 must be paid from the county to the White Earth Band of Ojibwe to reimburse the band for the costs of delivering child welfare services. (*Article 5, §10; tracking lines 54-55*)

Appropriation: Beltrami County

Laws of Minnesota, 2019, 1st Special Session, Chapter 6

Effective July 15, 2019

Appropriates funding to Beltrami County for out-of-home placement costs (\$3 million in FY 2020)

Appropriates \$3 million to Beltrami County in fiscal year 2020 to be used by the county for out-of-home placement costs. (*Article 5, §10; tracking line 58*)

Mandatory reporting by law enforcement to the teacher licensing board

[Laws of Minnesota, 2019, 1st Special Session, Chapter 11](#)

Effective July 1, 2019

Mandatory reporting by law enforcement to teaching licensing board for determined child maltreatment (policy only)

Requires law enforcement to inform the licensing board when it determines that a child has been the subject of physical abuse, sexual abuse, or neglect by a person licensed by the Professional Educator Licensing and Standards Board or Board of School Administrators. (*Article 3, §18; tracking line N/A*)

Definition of Sexual Abuse

[Laws of Minnesota, 2019, 1st Special Session, Chapter 11](#)

Effective July 1, 2019

Expands definition of sexual abuse in the Maltreatment of Minors Act (policy only)

Adds a new criminal violation, under MN Stat. 609.352 (the solicitation of children to engage in sexual conduct; communication of sexually explicit materials to children), to the definition of sexual abuse. (*Article 5, §3; tracking line N/A*)

Expansion of MN Department of Education's responsibility to respond to child maltreatment

[Laws of Minnesota, 2019, 1st Special Session, Chapter 11](#)

Effective July 1, 2019

Expands MDE's responsibility to respond to child maltreatment reports to youth age 18-21 (policy only)

Requires the Minnesota Department of Education to assess/investigate allegations of maltreatment involving students age 18-21, including those receiving special education, until their graduation. (*Article 5, §4; tracking line N/A*)

Reestablishment of Parental Rights

[Laws of Minnesota, 2019 Regular Session, Chapter 14](#)

Effective August 1, 2019

Reestablishment of the legal parent and child relationship (policy only)

Allows a parent whose parental rights have been terminated to petition a court for reestablishment of those rights after 48 months. Lays out what is required to be included in a parent's petition and modifies who is to be served. It removes the minimum child age requirement entirely and requires a court to bar subsequent petitions by a parent for a period of time after denying a parent's petition. (*Tracking line N/A*)

Opioid appropriation

[Laws of Minnesota, 2019 Regular Session, Chapter 63](#)

Effective August 1, 2019

Opiate epidemic response account (\$16.3 million in FY 2020-21, 17.0 million in FY 2022-23, and \$18.5 million in FY 2024-25)

Provides about \$8 million of funding per year, starting in state fiscal year 2021, for county and tribal social service agencies to provide child protection services to children and families who are affected by addiction. The money shall be distributed proportionally to counties and tribal social service agencies based on the out-of-

home episodes where parental drug abuse is the primary reason for the placement using data from the previous calendar year. Social service agencies receiving funds from the account must annually report to DHS how the funds were used to provide child protection services, including measurable outcomes, as determined by the commissioner, and must not use funds to supplant current state or local funding received for child protection services for children and families who are affected by addiction. (*Article 1, §8; tracking line N/A*)

Child Support Division

Prohibition on Imputation of Income to Incarcerated Child Support Payers

Laws of Minnesota, 2019 1st Special Session, Chapter 9

Effective the day following enactment

Prohibition on Imputation of Income to Incarcerated Child Support Payers (systems costs not funded)

Removes an exception in Minnesota law that allows courts to impute income when determining child support obligations for incarcerated parents only when the reason for incarceration is related to nonpayment of child support. By removing the exception, no incarcerated parent may have imputed income counted. This change was required by new federal regulations. (Note: “Imputed income” for child support means that the court determines a parent is capable of earning a certain income, whether the parent is or is not actually doing so, and uses that income when determining support obligations. Imputed income is sometimes referred to as “potential income.”) (*Article 1, § 34; tracking line 150*)

Align Annual Fee for IV-D Child Support Services with Federal Law

Laws of Minnesota, 2019 1st Special Session, Chapter 9

Effective October 1, 2019

Increase Federal Annual Fee for IV-D Services (systems costs not funded)

Increases the federal annual fee for IV-D child support services to \$35 per year for cases that have never been public assistance referrals. Currently, the fee is \$25. The change requires the IV-D agency to collect the federal fee only after \$550 in child support has been collected on the case, up from the current \$500 threshold. (*Article 1, § 35; tracking line N/A*)

Economic Assistance and Employment Supports Division

Increased Minnesota Family Investment Program Monthly Grants

Laws of Minnesota, 2019 1st Special Session, Chapter 9

Effective February 1, 2020

Increase the Minnesota Family Investment Program monthly grants by \$100 (\$44.8 million in FY 2020-21 and \$65.1 million in FY 2022-23)

Increases the cash grant for the Minnesota Family Investment Program (MFIP) by \$100 per month – the first increase since 1986. The additional monthly funds will benefit all families in both MFIP and the Diversionary Work Program (DWP). Funding for this proposal is complex, including a shift in the source of funding for the Working Family Credit. (*Article 1, § 20; tracking line 240; see also Omnibus Tax Bill; tracking line 249*)

Direction to Commissioner: Access to Documents for Homeless Youth

[Laws of Minnesota, 2019 1st Special Session, Chapter 9](#)

Recommendations due no later than January 15, 2020

Recommendations on providing homeless youth with free birth records and State of Minnesota Identification Cards (policy only)

Requires DHS, MDH and DPS to make recommendations to the legislature on how to provide homeless youth with access to birth records and Minnesota identifications at no cost to the youth.

Recommendations will go to the chairs and ranking minority members of the legislative committees with jurisdiction over the Homeless Youth Act. (*Article 1, § 39; tracking line N/A*)

Revisor Instruction: Changes to Food Assistance Terminology

[Laws of Minnesota, 2019 1st Special Session, Chapter 9](#)

Effective July 1, 2020

Change the terms “food support” and “food stamps” to Supplemental Nutrition Assistance Program” or “SNAP” in Minnesota statutes (technical change only)

Aligns references in Minnesota law with the name of the federal Supplemental Nutrition Assistance Program (SNAP). The Revisor is directed to consult with DHS while making these changes. (*Article 1, § 42; tracking line N/A*)

Direction to Commissioner: Fraud Investigations

[Laws of Minnesota, 2019 1st Special Session, Chapter 9](#)

Effective No later than January 15, 2020

Fraud Investigations (policy only)

Requires the commissioner of human services to consult with counties to report to the chairs and ranking minority members of the committees and divisions with jurisdiction over human services on recommendations for legislation that identifies and clarifies the responsibilities of DHS and counties for fraud investigations in public programs administered by the commissioner. (*Article 2, § 129. (Tracking line N/A)*)

Direction to Commissioner: Self-Employment Income

[Laws of Minnesota, 2019 1st Special Session, Chapter 9](#)

Recommendations due no later than January 15, 2020

Self-Employment Income (policy only)

Requires the commissioner of human services to consult with counties and other relevant stakeholders to report to the chairs and ranking minority members of the committees with jurisdiction over human services on recommendations for legislation on how to count self-employment income for purposes of determining eligibility for and maintaining integrity of public assistance programs. (*Article 2, § 130; tracking Line N/A*)

Shelter-Linked Mental Health Services

[Laws of Minnesota, 2019 1st Special Session, Chapter 9](#)

Effective July 1, 2019

Shelter-Linked Youth Mental Health Services (\$500,000 per biennium added to the base)

Requires DHS to award two-year grants to housing providers who partner with community-based mental health practitioners to provide a continuum of mental health services, including: short-term crisis

response, support for youth in longer-term housing settings, and on-going relationships to support youth in housing arrangements for homeless or sexually exploited youth. The commissioner shall work with MMB to identify evidence-based mental health services for youth. This is a new investment. (*Article 6, Subdivision 72 and Article 14, § 2, subd. 14(b); tracking Line 586*)

Increased funding for Safe Harbor

[Laws of Minnesota, 2019 1st Special Session, Chapter 9](#)

Effective July 1, 2019

Increase funding for Safe Harbor (\$1 million per biennium added to the base)

Increases funding for services to sexually trafficked youth. The Office of Economic Opportunity administers these funds. MDH also received a funding increase for their role in these services, including evaluation services. (*Article 14, section 24 (b); tracking line 332*)

Increased Funding for Emergency Services Programs

[Laws of Minnesota, 2019 1st Special Session, Chapter 9](#)

Effective July 1, 2019

Funding increase for homeless shelters (\$3 million in FY 2020)

Provides additional funding for grants to Emergency Services Program homeless shelters. These grant contracts are managed by the Office of Economic Opportunity in the Children and Family Services Administration. (*Article 14, § 2, subd. 30; tracking line 811*)

DHS Continuing Care of Older Adults Administration

Provisions listed relate to work performed in the Community Supports Administration and Continuing Care for Older Adults Administration. All sections are effective July 1, 2019, unless otherwise specified. Tracking line references are to the [Health & Human Services Finance spreadsheet](#)

Aging & Adult Services Provisions

Assisted Living Report Card (Transfers \$2.0 million in FY 20-21, and \$2.0 million in FY 22-23)

As a result of the new assisted living licensure requirements contained within [Vulnerable Adults Protection Act of 2019](#), this bill authorizes the transfer of funding required to initially develop and then support ongoing data analysis to regularly update the measures for a publically accessible assisted living report card. The transfer-out is included in the Health and Human Services Finance Spreadsheet. *Tracking line 118.*

Note: The transfer-in is included in the 2019 HHS Budget Tracking HF 90 as Enacted spreadsheet as part of the Assisted Living Report Card under the Vulnerable Adult Protection Act section noted later in this document.

Incentive-Based Grants for Elderly Waiver Customized Living Service Providers (Invests \$1.0 million in FY 20-21, and \$1.0 million in FY 22-23)

Provides grant funding for elderly waiver customized living service providers to achieve outcomes specified in a contract with the department that, on a competitive basis, best meet the state's policy objectives. Preference will be given to providers that serve at least 75 percent of their total capacity under the Elderly Waiver Customized Living program. Article 4, section 28 and article 14, section 2, subd. 27. *Tracking line 402.*

Nursing Facility Rates & Policy Provisions

Nursing Facility Moratorium Exception Construction Projects, Bed Relocation Projects, Consolidation Projects, and Property Rates. (Invests \$41 thousand in FY 20-21 and \$831 thousand in FY 22-23)

Appropriates \$1.25 million for nursing facility construction project funding. Removes the cost neutrality requirement for nursing facility bed relocations for construction projects with costs below the maximum threshold dollar amount. Requires bed relocation projects with costs in excess of the maximum threshold amount, or that is a newly constructed facility, to apply for approval through the competitive moratorium exception process. Reallocates a portion of cost savings from nursing facility closures under the consolidation process to moratorium construction project funding. Requires facility consolidation project applications submitted to the Department of Health after January 1, 2020, to go through the competitive moratorium exception application process.

Establishes Fair Rental Value (FRV), the new property payment system for nursing facilities, and describes how the property payment rates for nursing facilities that complete certain types of state-approved construction projects authorized on or after March 1, 2020, will be determined under this new system. Authorizes the commissioner to select the commercial valuation system and property appraisal firms to conduct nursing facility property appraisals for use under FRV. Describes how the commissioner will determine the interim payment rates and settle-up payment rates under Value-Based Reimbursement and FRV for newly constructed nursing facilities and nursing facilities with an increase in licensed capacity of 50 percent or more. Article 4, sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23, 24, 29, 30. *Tracking line 138.*

Facility Rate Adjustment for Border City Nursing Facilities. (Invests \$81 thousand in FY 20-21 and \$167 thousand in FY 22-23)

Provides a rate increase for one specific nursing facility in Moorhead in years when the North Dakota facility rates exceed the Minnesota nursing facility rates and changes the way this rate is computed for a facility that already has this facility specific legislation. Specifies that border city rate adjustments are included in the external fixed costs of the facility rate. Article 4, sections 13, 18 and 25. *Tracking line 142.*

Nursing Facility Clean Energy Pilot Project (Note- This is part of the moratorium funding appropriation noted separately above- Budget neutral)

Establishes a pilot project, with two years of limited funding from the moratorium exceptions appropriation of up to \$250,000 in FY 20-21, to reduce overall energy consumption in nursing facilities and evaluate the associated financial impacts. The commissioner will select projects from qualifying proposals via a competitive application process, which includes recommended approval from an authorized Property Assessed Clean Energy (PACE) program

manager. A temporary payment increase for the approved project will be added to the external fixed rate component of the facility rate. Article 4, section 27. *Tracking line 634.*

DHS Community Supports Administration (Disability Services Division and Deaf and Hard of Hearing Services Division)

Health and Human Services Omnibus Budget Bill

Minnesota Session Law 2019, Chapter 9

Provisions listed relate to work performed in the Community Supports Administration and Continuing Care for Older Adults Administration. All sections are effective July 1, 2019, unless otherwise specified. Tracking line references are to the [Health & Human Services Finance spreadsheet](#)

Deaf Hard-of-Hearing Services Provisions

Modernization of the Telephone Equipment Distribution (TED) Program. (Budget neutral)

Gives the program new authority to provide interconnectivity telecommunications products such as cell phone amplifiers, hearing aid streamers, and advanced communications apps. It also two new services: 1) assist program participants in applying for discounted telecommunications and internet services, and 2) provide information about general assistive communications devices and products. The duty to assess an applicant's telecommunication needs was clarified. Must be implemented by October 1, 2019. Article 5, Sections 1-10 and 85. *Tracking line 279.*

Greater Minnesota Sign Language Interpreting Service Capacity. (Invests \$422K in FY 20-21 and \$422K in FY 22-23.)

Provides grant funding of \$211,000 per year to expand sign language interpreting service capacity in Greater Minnesota. This includes mentorship and training opportunities to draw more interpreters into community interpreting and stipends for interpreting student seniors who do their internship in Greater Minnesota. It increases travel cost funding to bring interpreters to underserved areas and for interpreting services for 12-step support groups and for funerals when no other entity is responsible for the costs.. Article 14, Section 2, subd. 28. *Tracking line 609.*

Disability Services Provisions

Simplify & Streamline the Home & Community-Based Waiver Menu (Invests \$2.586 million in FY 20-21 and \$5.974 million in FY 22-23)

Provides administrative funding to research the future reconfiguration of disability waivers and an individualized budgeting model. Requires DHS to report recommendations to the legislature on future reconfiguration and individualized budgeting by January 1, 2021. Article 5, section 86.

Adds "Integrated Community Supports," a new residential service to disability waivers. This change is effective January 1, 2021, or upon federal approval for Community Access for Disability Inclusion (CADI) and Brain Injury (BI) waivers. This change is effective January 1, 2023, or upon federal approval for Developmental Disabilities (DD) and Community Alternative Care (CAC) waivers. Article 5, section 86.

Reconfigures and aligns Residential and Individual Support disability waiver services:

1. Corporate Foster Care and Supportive Living Services will be reconfigured as "Community Residential Services." Community Residential Services will be available on all waivers.
2. Family Foster Care and Supported Living Services will be reconfigured as "Family Residential Services." Family Residential Services will be available on all disability waivers.
3. Current Customized Living Settings will be allowed to continue to provide Customized Living, while new settings will be required to provide Integrated Community Supports waiver service.

4. Personal Support and Adult Companion services will be reconfigured as Individual Home Supports.
5. Supported Living Services 15-minute unit and Independent Living Skills with training will be reconfigured as Individualized home supports with training.
6. In Home Family Supports will be reconfigured as Individualized Home Supports with family training.

These changes are effective January 1, 2021, or upon federal approval. Article 5, sections 57 and 59.

Converts Day Training and Habilitation and Structured Day to Day Support Services. Adult Day Services will only be available to current participants. Implements a new rate framework for Adult Day Services. These changes are effective January 1, 2021, or upon federal approval. Article 5, Section 59.

Removes Independent Living Skills Specialist Services, effective January 1, 2020. Article 5, section 57 and 59.

Requires DHS to develop new rate methodology for Family Foster Care that aligns with support needs and submit a report with recommendations to the legislature by February 1, 2020. Article 5, section 89.

Requires DHS to study value-based models and outcome-based payment strategies for fee-for-service Home and Community Based Services. DHS must submit a report with recommendation to the legislature by October 1, 2020. Article 5, section 64.

Appropriates \$100,000 in FY 2020 and \$200,000 in FY 2021 for grants to connect families through innovation grants, life planning tools (Life Course), and website information as they support a child or family member with a disability. The \$200,000 is ongoing after FY 2021. Article 14, section 2.

Appropriates \$600,000 in FY 2020 and FY 2021 to provide grant funding for benefits planning for people with disabilities. This funding is ongoing after FY 2021. Article 14, section 2.

Appropriates \$374,000 in FY 2020 and \$486,000 in FY 2021 to extend and expand regional capacity for Person-Centered Planning. This funding increases to \$448,000 in FY 2022 and \$560,000 in FY 2023. The funding is allocated to regional cohorts for training, coaching, and mentoring for Person-Centered Planning and collaborative safety practices. Article 14, section 2.

Tracking line for all sections for Simplify and Streamline starts on line 363.

Day Training & Habilitation Transition Grants for Providers. (Invests \$400 thousand in FY 20-21 and \$0 in FY 22-23).

Appropriates \$200,000 in FY 2020 and FY 2021 for grants to Day Training and Habilitation providers who are projected to experience a significant funding gap at the completion of banding. This provision includes provider eligibility standards. It requires providers to develop sustainability plans in partnership with DHS. DHS is required to provide technical assistance and financial management advice to grant recipients. This is onetime funding. Article 5, section 90. *Tracking line 411.*

Disability Waiver Rate System (DWRS) Competitive Workforce Factor (Invests \$34.234 million in FY 20-21 and \$30.271 million in FY 22-23).

Authorizes the addition of a 4.7% “competitive workforce factor” to all Disability Waiver Rate System frameworks. This change is effective January 1, 2020 and will occur on a rolling basis, as service agreement begin or renew. Article 5, section 59

Modifies Prevocational service billing unit from an hourly unit to a 15-minute unit. This change requires MnCHOICES and MMIS systems changes that are expected to be completed by January 1, 2020. Article

5, section 56.

Requires DHS to publish an annual labor market report, based on data submitted by Disability Waiver providers. Article 5, section 65. *Tracking line 420.*

HCBS/DWRS Labor Market Reporting and Data Analysis (See DWRS above)

Requires annual labor market reporting by providers of Consumer-Directed Community Supports (CDCS), Personal Care Assistance (PCA), Community First Services and Supports (CFSS), Nursing Home Health Services, Day Training and Habilitation (DT&H) at Intermediate Care Facility for persons with Developmental Disabilities (ICF/DD), Financial Manage Services (FMS) for Consumer Support Grant (CSG), Personal Care Assistance (PCA) Choice, Community First Services and Supports (CFSS), and Consumer Directed Community Supports (CDCS) for people on all Home and Community Based Waivers and Alternative Care. Requires DHS to analyze the labor market data. This provision is effective January 1, 2020. Article 5, section 54. *Tracking line 420.*

Electronic Visit Verification (Invests \$908 thousand in FY 20-21 and Saves \$7.335 million in FY 22- 23).

Appropriates \$5,506,000 in FY 22-23 to purchase a statewide electronic visit verification system to comply with the 21st Century Cures Act, Public Law 114-255. Effective January 1, 2020, and absent a good faith exemption from the federal government, Minnesota must require electronic visit verification for all Medicaid-funded personal care assistance services and some waiver services. Effective January 1, 2023, Minnesota must require electronic visit verification for home health services. Providers of these services must comply with electronic visit verification standards, on a date established by the commissioner, after the state-selected system is in production. Article 5, section 82.

Appropriates \$500,000 in FY 2021 in grant funding to assist providers who choose to use their own electronic visit verification system. This funding is available January 1, 2021. Article 14, section 2. *Tracking line 590.*

HIV Statute Language Updates (Budget neutral)

Clarifies Medical Assistance and Minnesota Care recipients who participate in AIDS Drug Assistance Program do not have cost-sharing requirements. Expands eligibility for premium assistance and aligns eligibility with federal law and current practice. Article 5, section 33. *Tracking line 638.*

Self-Directed Worker Union Contract (Invests \$36.477 million in FY 20-21 and \$38.907 million in FY 22-23)

Ratifies the 2019/2020 collective bargaining agreement between the Services Employees International Union (SEIU) and the State of Minnesota. Authorizes a 2.37% increase for rates and budgets in the Consumer Directed Community Supports (CDCS) and Consumer Support Grant (CSG) programs and state plan and extended personal care assistance (PCA) services to implement the agreement between the state of Minnesota and SEIU Healthcare. This increase applies to reimbursement rates, individual budgets, monthly case mix caps, grants or allocations for limits for services provided on or after July 1, 2019.

Authorizes an enhanced rate increase from 5% to 7.5% for state plan and extended personal care assistance services (PCA) and budgets for CSG will as part of the agreement between the state of Minnesota and SEIU Healthcare. The enhanced rate increase will also apply to CDCS budgets through the Brain Injury (BI), Community Alternative Care (CAC), and Community Access for Disability Inclusion (CADI), Developmental Disabilities (DD), Alternative Care (AC), and Elderly Waiver (EW) upon federal approval of the waiver amendments. The enhanced rate and budgets are for persons eligible for 12 or more hours of state plan PCA services when the services are provided by a qualified worker.

Appropriates \$375,000 in 2020 and 2021 for stipends to pay for training. This is one-time funding.

Appropriates \$125,000 in 2020 and 2021 for new worker orientation. This is onetime funding. Article 5, section 84 and Article 14, section 2. *Tracking line 685.*

Community First Services and Supports Eligibility for Pregnant Women (Budget neutral)

Authorizes the use of state-only medical assistance funds to ensure CFSS eligibility for pregnant women who: (1) do not have an institutional level-of-care and (2) meet all statutory CFSS eligibility requirements. Article 5, section 70. *Tracking line 708.*

Semi- Independent Living Services Grants Program Funding Restructuring (Budget neutral)

Authorizes a county reimbursement rate of 85% for SILS grant allocations. Article 5, section 21. *Tracking line 660.*

Consumer-Directed Community Services (CDCS) Shared Services (Budget neutral)

Authorizes medical assistance payments for shared services under Consumer Directed Community Supports (CDCS). Shared services may include services in the personal assistance category. One worker may provide shared services for up to three individuals. Individuals sharing services must use the same financial management services provider. Individuals whose support plans include the intention to share services must develop a shared services agreement. This provision is effective October 1, 2020 or upon federal approval. Article 5, section 81.

MnCHOICES Policy Updates

Allows a certified assessor to complete a legacy personal care assistance (PCA) assessment. Annual needs reassessments are no longer required for Rule 185 case management. The person's case manager must develop a person-centered service plan which must be reviewed annually. Modifies the timelines for the community support plan and coordinated service and support plan. The community support plan and coordinated service and support plan must be completed no more than 60 calendar days from the assessment visit. Requires DHS to work with lead agencies to develop measurable benchmarks that demonstrate quarterly improvement in the average time per assessment and other efficiency measures.

DHS is required to collect data on established benchmarks and report annual trend analyses to the legislature. Additional changes were made to align law with current practice. Article 5, sections 35, 44, 45, and 46.

245D Policy Updates

Aligns statute with federal waiver plan agreements. Requires technology to be considered during plan development. Removes the exemption from Intensive Service Planning for In Home Family Supports, Individualized Supports, supported living services, and semi-independent living services. Article 5, section 12.

Personal Care Assistance (PCA) Rate Framework Study (Budget Neutral)

Requires DHS to evaluate the feasibility of developing a rate framework for the personal care assistance (PCA) and Community First Services and Supports (CFSS) programs. DHS is required to provide recommendations, including draft legislation to the legislature by January 1, 2020. Article 5, section 87.

Technology Task Force

Requires DHS to convene an advisory task force to make recommendations to increase use of technology in services and programs for people with disabilities. The task force will provide an annual written report and recommendations to DHS beginning June 20, 2020. The task force expires on June 30, 2021. Article 5, section 92.

Family Support Grant (FSG) Eligibility Modification (Budget Neutral)

Modifies the age limit for Family Support Grants from 21 years of age to 25 years of age. Preference for new grant allocations will be given to families with dependents age 14 through age 24 to support

transition-related activities. This provision is effective October 1, 2019. Article 5, section 22.

DHS Community Supports Administration (Behavioral Health)

Substance Use Disorder 1115 Demonstration Waiver (Saves \$16.09 million in FY 20/21)

Establishes criteria to develop and implement a Medical Assistance demonstration project to incentivize the use of evidenced-based practices in substance use disorder treatment in Minnesota and bring in additional federal funding. Also, provides a rate increase for providers participating in the demonstration. Article 6, Sec. 5, 67. (*Tracking line 725*)

Reform Financing of Behavioral Health Services (Saves \$18.02 million in FY 20/21)

Eliminates the county share for persons receiving substance use disorder treatment while on Medical Assistance to encourage counties to support individuals accessing substance use disorder treatment to become enrolled in Medical Assistance, aligns the financial structure for mental health and substance use

disorder treatment for people enrolled in Medical Assistance on July 1, 2020. In addition, the aligns payment for room and board across mental health and substance use disorder residential treatment services and provides three months of presumptive housing support eligibility for people leaving residential treatment. Article 6, Sec. 42-45, 48, 50, 51, 53, 54, 68 -70, 81. (*Tracking line 495*)

Increasing Timely Access to Substance Use Disorder Treatment (Invests \$16 thousand in FY 20/21)

Allows for the use of Screening, Brief Intervention, and Referral to Treatment (SBIRT), a screening tool to identify individuals in need of substance use disorder care, to authorize a limited number of substance use disorder treatment services. Article 6, Sec. 40. (*Tracking line 516*)

Expand and Strengthen School-Linked Mental Health (SLMH) (Invests \$1.2 million in FY20/21)

Increases access to mental health services for students in Minnesota by expanding school linked mental health grants. This change provides a clear statutory framework for school-linked mental health services and includes a study and evaluation of the program to assess the school-linked mental health grant program and develop recommendations for improvements. Article 6, Sec. 2, 3, 78. (*Tracking line 530*)

Children's Intensive Mental Health Services Reform (Invests \$7.92 million in FY 20/21)

Provides on-going state only funding for children's mental health stays in residential facilities that have been determined to be institutions for mental disease (IMD) by the Center for Medicare and Medicaid Services. The 2017 legislature approved the use of State only funding to offset the lost federal funding for

children's residential treatment services, but that authority was set to expire May 1, 2019. In April, Laws of Minnesota 2019, Chapter 12 was signed extending this funding until July 1, 2019. This change extends the state-only funding for children's residential mental health stays indefinitely. This change also expands Psychiatric Residential Treatment Facility (PRTF) capacity by eliminating the cap on the number of sites and allowing for an additional 150 beds. Article 6, Sec. 56, 74, 75, Article 14, Sec. 2 Subd. 32(a). (*Tracking line 465*)

Certified Community Behavioral Health Clinics Expansion (Invests \$4.7 million in FY 20/21)

Transitions Certified Community Behavioral Health Clinic (CCBHC) services from a demonstration project to a traditional Medicaid benefit. Minnesota is one of eight states participating in a federal demonstration project to test this new model of community-based mental health and substance use disorder care. CCBHCs provide a comprehensive set of mental health and substance use disorder services for both children and adults including screening, assessment and diagnosis, treatment planning, outpatient and rehabilitative services. There are currently six CCBHCs in Minnesota participating in the federal demonstration project which is set to end July 1, 2019. This legislation will allow for statewide implementation which is expected to result in five new providers becoming CCBHCs over the next four years. Article 6, Sec. 4, 52, 57, 79, Article 14, Sec. 2 Subd. 31(a). *(Tracking line 378)*

Funding for Mobile Crisis (Invests \$2.5 million in FY 20/21)

Mobile crisis services are teams of mental health professionals and practitioners who provide psychiatric services to individuals within their own homes and at other sites outside the traditional clinical setting.

Mobile crisis services provide for a rapid response and will work to assess the individual, resolve crisis situations, and link people to needed services. This legislation invests additional dollars in the administration of mobile mental health crisis services. Article 14, Sec. 2 Subd. 31(b). *(Tracking line 566)*

Community Based Children's Mental Health Grant (Invests \$100 thousand in FY 20)

Funds a grant to the Family Enhancement Center for staffing and administrative support to provide children access to expert mental health services regardless of insurance status or income. This is a onetime appropriation available until June 30, 2021. Article 14, Sec. 2 Subd. 32(b). *(Tracking line 540)*

Competency Restoration Task Force (Invests \$136 thousand in FY 20/21)

Creates a task force to address competency restoration in Minnesota. This task force is to develop recommendations that will address the growing numbers of people deemed incompetent to stand trial and in need of competency education, including increasing prevention and diversion efforts, providing timely competency evaluations, reducing the amount of time individuals remain in the system, exploring ways to provide competency restoration services in the community, and clarifying the roles of the counties and the state in providing competency restoration. Article 6, Sec. 77, Article 14, Sec. 2 Subd. 7(a). *(Tracking line 768)*

Specialized Mental Health Community Supervision Pilot Project (Anoka) (Invests \$400 thousand in FY 20/21)

A grant to Anoka County to develop and implement a pilot project from July 1, 2019, to June 30, 2021, to evaluate the impact of a coordinated, multidisciplinary service delivery approach for offenders with mental illness who are on probation, parole, supervised release, or pretrial status in Anoka County. Article 6, Sec. 80, Article 14, Sec. 2 Subd. 31(c). *(Tracking line 574)*

Behavioral Health Homes (Cost neutral)

Establishes provider requirements, staff qualifications, staff training, and service delivery requirements for behavioral health home (BHH) services. These changes also improve access to BHH services by removing the requirement for a current diagnostic assessment to establish eligibility for BHH services, allows community health workers to serve as system navigators, establishes discharge criteria for individuals who no longer require behavioral health home services, and grants the Commissioner authority to issue a variance from provider requirements, staff qualification requirements, training requirements, and service delivery requirements. Article 6, Sec. 58-66. *(Tracking line N/A)*

Fetal Alcohol Syndrome Grants (Invests \$1 million in FY 20/21)

Provides grants to Proof Alliance, a statewide organization that focuses on prevention of fetal alcohol syndrome, to provide services to pregnant and parenting women suspected of or known to use or abuse alcohol or other drugs. The grantee must make sub-grants to regional collaboratives in rural and urban areas of the state. Eligible regional collaboratives will provide intensive services to increase positive birth outcomes. Article 14, Sec. 2 Subd. 33(b). (*Tracking line 521*)

Substance Use Disorder System Reform Clean-up (Cost neutral)

The 2017 legislature approved a Governor's budget proposal to reform the substance use disorder system of care. As implementation of this reform proceeded, and through feedback from the community, DHS identified technical changes to the 2017 legislative language. Changes needed include updating terminology, deleting obsolete terms, clarifying current practice, removing unnecessary requirements, and fixing drafting errors. It also includes updates to definitions to provide greater clarity, define additional terms, and ensure that language is clear and enforceable. Article 6, Sec. 6-39, 46, 47, 49. (*Tracking line N/A*)

County and DHS Collaboration for Substance Use Disorder Reform Implementation (Cost Neutral)

Requires DHS to consult with county agencies to identify specific training, education and experience requirements that would qualify individuals employed by a county who are not alcohol and drug counselors to perform comprehensive assessments and treatment coordination. A progress update must be provided to the legislature by December 31, 2019. Article 2, Sec. 131. (*Tracking line N/A*)

Chemical Health Assessments to be completed via Telemedicine (Cost Neutral)

Allows for chemical health assessments to be completed via telemedicine. Article 6, Sec. 41. (*Tracking line N/A*)

Substance Use Disorder Treatment Program Systems Improvement (Cost Neutral)

Requires DHS to consult with substance use disorder stakeholders to develop a plan, proposed timeline and summary of resources to help with paperwork reduction for substance use disorder programs. Article 6, Sec. 46. (*Tracking line N/A*)

Housing

Housing access grant modification to population served (Cost neutral)

The Housing Access program helps connect individuals with disabilities and mental health issues to affordable, accessible, independent housing in their communities. This change clarifies populations eligible to be served with housing access services grant funding. Article 5, Sec. 34. (*Tracking line N/A*)

Housing support policy (Cost neutral)

These changes will require that recipients receiving Housing Support supplemental services to have, at a minimum, assistance with services identified in the professional statement of need form. Also requires providers to maintain case notes with the date and description of supplemental services provided.

Providers cannot limit or restrict employment hours for a Housing Support recipient, and existing language on rate limits to be repealed. These changes came from the DHS policy bill. Article 5, Sec. 76-79. (*Tracking line N/A*)

Additional Bills Impacting the Continuing Care of Older Adults Administration

Vulnerable Adult Protection Act of 2019 (Invests \$29.797 million in FY 20-21, and \$23.976 million in FY 22-23)

[Laws of Minnesota 2019, Chapter 60](#)

This bill provides for licensure of assisted living facilities and assisted living facilities with dementia care; establishes resident rights and consumer protections for residents of assisted living facilities, nursing facilities, and housing with services establishments including authorizing electronic monitoring; makes conforming changes to other statutes related to such items. All sections are effective July 1, 2019, unless otherwise specified. Tracking line references are to the [Vulnerable Adult Protection Act of 2019 spreadsheet](#). Specifically, the bill:

Increases Office of Ombudsman for Long Term Care Staffing (Invests \$2.366 million in FY 20-21, and \$3.416 million in FY 22-23)

As a result of the new assisted living licensure requirements, new consumer protections, and the authorization of consumer initiated electronic monitoring, the Office of Ombudsman for Long-Term Care received funding for staffing increases in the amount of 17 full-time employees. *Tracking line 94.*

Provides for the Civil and Criminal Coordination for the Protection of Vulnerable Adults (Invests \$4.591 million in FY 20-21, and \$5.649 million in FY 22-23)

This bill created authorized administrative and grant funding for the protection of the state's vulnerable adults through grants for adult protective services to safeguard maltreated vulnerable adults and through enhancements to the common entry point known as the Minnesota Adult Abuse Reporting Center (MAARC) to improve civil and criminal investigation coordination. *Tracking line 100.*

Assisted Living Report Card (Invests \$3.727 million in FY 20-21, and \$3.540 million in FY 22-23)

As a result of the new assisted living licensure requirements, this bill funds the administration of assisted living resident experience surveys as well as family surveys that will be conducted every other year resulting in a publically accessible assisted living report card. This appropriation includes the transfer-in of \$2,000,000 per biennium noted above in Chapter 9 (Health and Human Services Omnibus Bill) under the Assisted Living section of the narrative. *Tracking line 107.*

Vulnerable Adult Protection- Current Operations Improvements (MDH) (Invests \$1.093 million in FY 18-19, and \$3.540 million in FY 20-21)

Provides systems funding for updating DHS's Social Services Information System (SSIS) for program changes at the Minnesota Department of Health (MDH). This funding includes changes to the MDH's case management system and the creation of a common landing page and functional enhancements for the MAARC and nursing home self reports for MDH. This funding is appropriated to MN-IT at DHS. *Tracking line 127.*

Additional Bills Impacting the Community Supports Administration

Vulnerable Adults – Housing Support

The Vulnerable Adults bill passed by the 2019 Legislature contained provisions that impact the Housing Support program. The new law repeals the Housing with Services (HWS) registration category by August 1, 2021. Existing assisted living facilities that previously had a HWS registration will need to become licensed by the Department of Health. While the new assisted living licensure may fit assisted living facilities, it does not fit another group of independent community settings that are currently registered as HWS settings in order to be legally eligible to receive payment as Housing Support settings. To address this the new law expands the Housing Support definition of "supportive housing," which allows this group of settings to transition from HWS settings to "supportive housing" and still be eligible for Housing Support payments. This transition is important to ensure that Housing Support recipients do not lose

housing in the midst of the state's establishment of the new assisted living licensure. Article 1, Sec. 13, 48, Article 4, Sec. 28-29

Elderly Waiver Recodification (Budget neutral)

[Laws of Minnesota 2019, Chapter 54](#)

This bill recodifies the elderly waiver program statutes from section 256B.0915 to a new section of law at section 256S and makes conforming changes to other statutes referencing the old citation. Effective August, 1 2019. (*Tracking line N/A*)

Commission of Deaf, DeafBlind and Hard of Hearing Minnesotans (Invests \$900 thousand in FY 20-21 and \$900 thousand in FY 22-23)

Jobs/Energy/Commerce Finance and Policy Bill, [Minnesota Session Laws – 2019, 1st Special Session, Chapter 7, Article 1, Section 6, subd. 4](#)

Increases the base budget by \$450,000 per year; funding is from the Telecommunications Access Minnesota special revenue account. This funding will supplement the ongoing operational expenses of the Commission of Deaf, DeafBlind and Hard of Hearing Minnesotans. Effective July 1, 2019. ([Jobs, Economic Development, Commerce & Energy - 1st Special Session Chapter 7, Tracking line 408](#))

Deaf and Hard of Hearing Services Act addition

[Minnesota Session Laws – 2019, Regular Session, Chapter 23](#)

Adds a definition of “family and community intervener” to Minn. Stat. 256C.23 and sets expectations for intervener services provided with deafblind services grant funding under Minn. Stat. 256C.261.

[Laws of Minnesota 2019, Chapter 12](#)

2 month children's MH IMD extension (Invests \$368K in FY 19)

Extends the effective date for Laws 2017, First Special Session chapter 6, Article 7, sections 71 and 72, which would extends authority to use state funding to replace lost federal funding for mental health services provided in certain children's residential facilities. This law extends the state funding authority until July 1, 2019. Without this legislation, the state funding authority would have expired on May 1, 2019. The Health and Human Services Omnibus bill contains language that extends this authority indefinitely.

[Laws of Minnesota 2019, Chapter 63](#)

Opioid Stewardship (Account generates \$20 million per year in fees)

Establishes an opioid stewardship fund, with increased licensing fees on opioid wholesalers and manufacturers at \$5000. These fees are set to sunset if the state has collected \$250 million in combined fee revenue and opioid-related settlement dollars, and at least five fiscal years have elapsed from enactment. Also establishes an opioid stewardship advisory council to develop and oversee a comprehensive and effective statewide effort to address the impacts of the opioid crisis in Minnesota. In FY20-21, there are appropriations for \$4 million in traditional healing grants, \$1.25 million to non-narcotic pain management, \$8 00,000 to ECHO projects, \$200,000 to the Steve Rummmler Foundation, \$600,000 to MMB results first, and \$32.4M in child protection for counties and tribes and advisory committee grants that will be administered by DHS. All dollars not dedicated to line-item appropriations are divided evenly between county child protection services and council-issued grants. After 5 years, these grants and the line-items to MDH, MMB Results First, Steve Rummmler and Project ECHO are turned off and redistributed evenly between county child protection services and council-issued grants, but all of these entities will be eligible to apply for those grants. Also after 5 years (regardless of sunset), the council will reevaluate the balance and effectiveness of all remaining appropriations, issuing a report to the Legislature with findings and recommended changes to the distribution of account funds. Article 1, Sec. 7, 8, Article 3, Sec. 1

DHS Direct Care and Treatment Administration

Omnibus Health and Human Services Budget Bill

[Laws of Minnesota 2019, Chapter 9, Article 3](#)

Increase in operational funding for the Minnesota Sex Offender Program (MSOP)

This bill appropriates funding to the Minnesota Sex Offender Program (MSOP) to maintain 84 FTEs in MSOP's Community Preparation Services (CPS). It is an addition of \$9.734 million in FY 20 and \$9.734 million in FY 21 for a total appropriation of \$97.072 million in FY 20 and \$97.621 in FY 21. (*Article 14, Sec.2, Subd. 38.*)

Addition of Liability of County for Cost of Care for Clients Provisionally Discharged from the Minnesota Sex Offender Program (MSOP)

This bill establishes a 25% county share for cost of care for individuals provisionally discharged from the Minnesota Sex Offender Program (MSOP). (*Article 3, Sec.2.*)

Increase in Bed Capacity for Intensive Residential Treatment Services (IRTS)

This eliminates a special revenue fund and returns collections of approximately \$13 million to the general fund. (*Article 3, Sec.4 and Article 14, Sect. 2, Subd. 34(b).*)

Additionally, it appropriates funding for the MSHS – Willmar program (\$2.73 million) and the Transitions of Certain Populations (\$250,000) that were previously funded from the special revenue fund. It also expands the bed capacity at two of the Intensive Residential Treatment Services (IRTS) facilities (\$1.389 million), and redirects deposits for the MSHS – Brainerd and Willmar program from the special revenue fund to the general fund. (*Article 14, Sec.2, Subd. 35.*)

Operational adjustment for Minnesota State Operated Community Services (MSOCS)

This bill provides an operating adjustment for the Minnesota State Operated Community Services (MSOCS) in the amount of \$1.584 million in FY 20 and \$3.729 million in FY 21 and beyond. (*Article 14, Sec.2, Subd. 36(b).*)

Removal of restrictions on DCT's dental operations.

This bill repeals language restricting operations of DCT's dental clinics, impacting the services available to clients. By repealing this language, DCT will be able to modify its staffing mix to address professional needs, employ new technologies – such as teledentistry, relocate clinics when leases expire, and explore partnership or co-location with other dental providers. (*Article 3, Sec.4.*)

Establishment of Administrative Review of County Liability for Cost of Care

This bill establishes a review process through which a county can request a review of liability for cost of care if discharge is delayed because: (1) the facility did not provide appropriate notice; (2) notice of discharge occurred on a holiday or weekend; (3) required documentation for discharge was not completed; or (4) the facility disagreed with the county's discharge plan. (*Article 3, Sec.1.*)

Additionally, in conjunction with this process, a report providing an update on state and county efforts to reduce the number of days that a patient spends in state-operated facilities after the patient no longer requires hospital level of care is required on or before January 1, 2023. (*Article 3, Sec.3.*)

DHS Health Care Administration

Provisions listed relate to work performed in the Health Care Administration. All sections are effective July 1, 2019, unless otherwise specified. Tracking line references are to the [Health and Human Services – 1st Special Session Chapter 9 spreadsheet](#).

Develop TEFRA enrollment content (Invests \$122 thousand in FY 20/21)

Directs DHS to develop content related TEFRA enrollment for the MNsure website, establishes a TEFRA stakeholder group and report to legislature on process improvement, and requires additional training for counties on the TEFRA application process. Article 5, Sec. 88. (*Tracking line 283*)

Federal Compliance with Outpatient Pharmacy Rule (Invests \$7.2 million in FY 20/21)

Updates Minnesota's pharmacy reimbursement formula for outpatient prescription drugs under fee-for-service Medical Assistance to comply with federal requirements. Changes include requiring the medication itself be reimbursed for the actual acquisition cost; provides a 1.8 percent add-on payment to cover the cost of the provider tax that is applied to pharmacy wholesalers and passed on to pharmacy providers; increases the professional dispensing fee for pharmacy providers from \$3.85 to \$10.48 and establishes ongoing cost-of-dispensing surveys for Minnesota, which will be conducted every three years; aligns the reimbursement for drugs purchased through the federal 340B program with the federal requirement that medications purchased program be reimbursed at the provider's cost, and includes a supplemental payment of \$1.5 million per year (state share) to mitigate the impact on hospital providers that are most impacted by this change; and changes how the state manages a particularly expensive class of prescription drugs, hemophilia clotting factor, to achieve savings to offset the cost of coming into compliance with the federal rule by repealing a statute prohibiting DHS from managing hemophilia clotting factor on the state's Preferred Drug list. Article 7, Sec. 11, 24, 25, 26, and 32; Article 14, Sec. 2, Subd. 5(b). (*Tracking line 790*)

Medical Assistance Coverage for Children in Foster Care (Invests \$363 thousand in FY 20/21)

Extends automatic Medical Assistance coverage to children who receive foster care and kinship care assistance, but who are ineligible for federal IV-E funded assistance. The changes also align Medical Assistance eligibility for children who receive Northstar Foster Care and Kinship Assistance with that for children who receive Northstar Adoption Assistance. This section is effective on January 1, 2020 or upon federal approval, whichever is later. Article 7, Sec. 18. (*Tracking line 870*)

Medical Assistance for Employed Persons with a Disability Federal Conformity (Invests \$40 thousand in FY 20-21)

Updates state law governing Medical Assistance for Employed Persons with Disabilities (MA-EPD) to conform to components of the Medicaid state plan amendment approved by the federal Centers for Medicare & Medicaid Services (CMS) regarding continued eligibility and the treatment of assets when an individual reaches age 65 and is no longer working. Article 7, Sec. 20. (*Tracking line 799*)

Rebasing Inpatient Hospital Payment Rates (Invests \$26 thousand in FY 20/21)

Provides modifications to the inpatient hospital rebasing statute. This proposal has four major components. First, it extends the commissioner's authority to use policy adjusters when developing inpatient hospital rates. Second, it incorporates a per claim charge limit on inpatient payments so that DHS would not pay more than a hospital bills for that claim. Third, it adjusts the qualifying threshold standard to receive disproportionate share hospital (DSH) factor for hospitals that have a high Medicaid Inpatient Utilization Rate for rebasing. Finally, this proposal incorporates the current

\$20 add-on for specific screenings into the base payment rates for birth stays rather than paying it as a separate add-on. Article 7, Sec. 9-13. *(Tracking line 956)*

Reduction of TEFRA Parental Fees (Invests \$2.5 million in FY 20/21)

Parental fees for families of children with disabilities who qualify for Medical Assistance under the TEFRA option, are reduced by 15 percent starting July 1, 2019. The TEFRA option allows Medical Assistance eligibility for children with disabilities whose parents have too much income to qualify for MA or other Minnesota Health Care Programs or who qualify but the cost would be too high. Article 5, Sec. 20. *(Tracking line 347)*

Updating Durable Medical Equipment Payment Methodology (Saves \$2 million in FY 20/21)

Changes the Medical Assistance reimbursement formula for durable medical equipment that is subject to the Medicare upper payment limit so that the state pays the equivalent to the Medicare Rate. This aligns Minnesota's payment methodology with federal law. Article 7, Sec. 37. *(Tracking line 822)*

Updating Indian Health Services Provider Payments (Invests \$11 thousand in FY 20/21)

Changes the Medical Assistance statute to add Indian Health Centers to a payment limit exemption for cost sharing on Medicare part B cross over claims. This aligns the treatment of IHS providers with how similar claims are treated for Federally Qualified Health Centers and Rural Health Centers. In 2015, the legislature exempted federally qualified health centers and rural health centers from this limit, but HIS providers were left out due to a drafting error. This corrects the error and allows these three similar provider types, to be treated the same. This change is effective the day after enactment. Article 7, Sec. 31. *(Tracking line 833)*

PANDAS Coverage (Invests \$158 thousand in FY 20/21)

Requires coverage of Pediatric Autoimmune Neuropsychiatric Disorders Associated with Streptococcal Infections (PANDAS) in Medical Assistance and MinnesotaCare. Article 13, Sec. 18. *(Tracking line 622)*

Doula Reimbursement (Invests \$64 thousand in FY 20/21)

Increases Medical Assistance payment rates for doula services to \$47 for prenatal or postpartum visits and \$488 for attending and providing services at birth. Article 7, Sec. 36. *(Tracking line 617)*

Enhanced Program Integrity for Nonemergency Medical Transportation (Saves \$904 thousand in 20/21)

Requires individual Nonemergency Medical Transportation (NEMT) drivers to enroll with DHS, requires DHS to contract with a vendor for ongoing audits of the NEMT program, and prohibits NEMT providers from re-enrolling for five years after disqualification. These changes work to improve the program integrity of the NEMT program by strengthening auditing and oversight. Article 7, Sec. 27-29, Article 14, Sec. 2 Subd. 5(a). *(Tracking line 841)*

Improving Medical Assistance Benefit Recovery (Saves \$3 thousand in FY 20/21)

Provides funding for DHS to purchase and implement an electronic case management system for the state's third party liability activities. This will also allow the Department of Public Safety to exchange motor vehicle accident data including the last four-digits of an individual's Social Security number with DHS through an existing secure web portal. Permitting DHS access to personal identifiers within motor vehicle accident data will accelerate recoveries and allow DHS to participate in more settlements. Article 7, Sec. 1. *(Tracking line 865)*

Medical Assistance Spend Down Limit Increase (Cost Neutral in FY 20/21)

Increases the excess income standard for individuals eligible for Medical Assistance based on age, blindness, or disability status from 81 percent of federal poverty guidelines to 100 percent, effective July 1, 2022. Article 7, Sec. 21. *(Tracking line 356)*

Medical Assistance Residency Verification (Invests \$206 thousand in FY 20/21)

Requires that Medical Assistance enrollees who have been absent from the state for more than 30 days, be enrolled in fee-for-service rather than managed care. Article 7, Sec. 19, 34. *(Tracking line 849)*

Repeal Preferred Incontinence Purchasing Program (Invests \$4.4 million in FY 20/21)

Repeals statute which would have required DHS to volume purchase preferred brands of incontinence supplies through a competitive bidding process, effective the day after enactment. The language being repeal received significant opposition from stakeholders when originally passed and was never implemented due to a legal challenge. Also prohibits DHS from implementing a program without legislative approval. Article 7, Sec. 14, 47. *(Tracking line 829)*

Corrective Plan to Eliminate Duplicate PMIs (Saves \$733 thousand in FY 20/21)

Directs the commissioner to design and implement a corrective plan to address the issue of Medical Assistance enrollees being assigned more than one person master index number (PMI). Requires a report due to the legislature on February 15, 2020. Article 7, Sec. 45. *(Tracking line 860 & 1005)*

Clarify and Strengthen Provider Screening and Enrollment (Cost Neutral)

Strengthens the provider enrollment process by providing more complete background checks, and brings Minnesota into compliance with Federal Regulations. Adds clear legislative authority for the Provider Eligibility and Compliance Unit to stop the payment of Medicaid funds when a provider is non-compliant with enrollment, reenrollment or revalidation requirements. Additionally, this changes PCA requirements requiring agencies to maintain bonds and insurances for each practice location, and adds clear statutory authority to deny payments during times of non-compliance, or to suspend and terminate providers who display patterns of noncompliance. Also, clarifies that DHS has the authority to electronically communicate actions related to screening and enrollment, as is current practice, and would eliminate the requirement to also send notice by mail, unless a provider does not have an account with MN-ITS, the electronic communications system DHS uses to communicate with providers. Finally, this clarifies that background checks will be conducted under the provisions in Minnesota law under Chapter 245C and provides the authority for DHS to submit fingerprints to the FBI for the national record check in order to provide a more complete background check for providers hoping to enroll in programs designated as "high-risk." Article 7, Sec. 5, 6, 15, 16, 33. *(Tracking line 876)*

Provider Tax Rate Increase (Invests \$35.2 million in FY 20/21)

Reinstates the rate increase in Medical Assistance and MinnesotaCare intended to offset the cost of provider tax liabilities for providers. This proposal updates the rate increase to align with the modified provider tax rate of 1.8 percent. Article 7, Sec. 2, 17. *(Tracking line 938)*

Investing and Modernizing Payments for Safety Net Providers (Invests \$1.4 million in FY 20/21)

Federally Qualified Health Centers (FQHC) and Rural Health Clinics (RHC) are nonprofit community health care providers. These centers are open to all residents regardless of insurance status or ability to pay and play a critical role as part of the safety net provider community that primarily serve enrollees on state Medicaid programs. This proposal replaces the three existing alternative payment methodologies (APMs) with a single new APM designed to cover the cost of all MA encounter generating services. The new FQHC/RHC rate methodology for Medical Assistance will be effective for services provided on and after January 1, 2021 and will be rebased every two years beginning in January 2022. This also aligns the payment methodology with federal requirements for payments related to MinnesotaCare starting in 2021. Includes direction to the commissioner to conduct a comparative analysis of actual changes in clinic cost with a report due to the legislature on July 1, 2025. Article 7, Sec. 30, 43, 44, 47. *(Tracking line 960)*

Blue Ribbon Commission on Health and Human Services (Invests \$510 thousand in FY 20/21)

Directs the commissioners of health and human services to convene a Blue Ribbon Commission to advise and assist the legislature and governor in transforming the health and human services system to build greater efficiencies, savings and better outcomes for Minnesotans. The commission shall present to the legislature an action plan for transforming the health and human services system by October 1, 2020. Article 7, Sec. 46. *(Tracking line 947 and 952)*

Extend Premium Security Plan BHP Impact (Invests \$115.5 million in FY 20/21)

Extends the Premium Security Plan, also known as reinsurance, through plan year 2021. An extension of the premium security plan is expected to reduce premiums in the individual market in plan years 2020-2021. This reduces federal revenue to the BHP Trust Fund which is a significant source of funding for MinnesotaCare. This appropriation offsets the anticipated federal losses. Article 8, Sec. 6, 7, 19, 22. *(Tracking line 943)*

Reduction of Managed Care Growth Rate Assumption (Saves \$29.5 million in FY 20/21) Permits the Commissioner to limit the year over year increase in rates paid to managed care plans and county-based purchasing plans by an amount equal to 0.8 percent reduction across all managed care products. Any changes must remain in compliance with federal requirements that rates be actuarially sound. To the extent the total value of the rate reduction is below the targeted amount, the Commissioner of MMB shall transfer an amount equivalent to the shortfall from the premium security account to the general fund. Article 7, Sec. 35. *(Tracking line 932)*

Aligning Application Assistance Payments (Cost neutral)

Increases application assistance payments for MNSure navigators and agents who assist with enrollment in Medical Assistance from \$25 per application to \$70 per application to align with the payment for enrollment in MinnesotaCare. This will provide consistent incentive payments for successful enrollment in Medical Assistance and MinnesotaCare. Article 7, Sec. 8. *(Tracking line 889)*

Refinancing Medical Assistance (Cost Neutral)

Increases the proportion of the Medical Assistance program that is funded from the Health Care Access Fund. The increased Health Care Access Fund spending is offset by a proportional decrease in Medical Assistance spending from the general fund. Article 14, Sec. 2. *(Tracking line 774)*

Step Therapy Override (Cost neutral)

Requires health plans to provide an override process for step therapy protocols. Step therapy involves trying multiple drugs before a more expensive drug is covered. The override requires plans to create a process for physicians to request an exception to this process. This section extends the step therapy override requirement to public plans. Article 7, Sec. 3, 4, 26. *(Tracking line 324)*

Step Therapy for Metastatic Cancers Prohibited (Cost neutral)

Prohibits use of Step Therapy protocols for metastatic cancers, effective January 1, 2020. Article 8, Sec. 13.

Community Health Workers Telemedicine/Telemedicine Limits (Cost neutral)

Adds community health worker to a list of providers who can provide telemedicine services. Allows for more than three visits in a week to be provided via telemedicine if the visits are for treating and controlling tuberculosis. Article 7, Sec. 23.

Renewal of Eligibility (Cost neutral)

Allows a local agency to close an enrollee's case file if required information is not submitted within four months of termination. This codifies current policy. Article 7, Sec. 22.

Integrated Care for High-Risk Pregnant Women Grant Program (Cost neutral)

The Integrated Care for High-Risk Pregnant Women Grant (ICHRP) grant program provides targeted, integrated services for pregnant mothers who are at high risk of poor birth outcomes due to drug use or low birth weight. These changes clarify that the program is ongoing and no longer a pilot, and clarify grantee eligibility. Article 7, Sec. 38-44.

Additional Bills Impacting the Health Care Administration

Laws of Minnesota 2019, 1st Special Session, Chapter 3

Omnibus Transportation Bill (Cost Neutral)

Allows for data sharing between DHS and Met Council for the Metro Mobility program. Article 3, Sec. 3, 4

Laws of Minnesota 2019, 1st Special Session, Chapter 6

Tax Bill Repeal of the Sunset of the Provider Tax (Generates \$872.6 million in revenue in FY 20/21)

Repeals the sunset of the two percent provider tax on revenue from patient services at hospitals, surgical centers and health care providers. This tax also applies to the gross revenue of wholesale drug distributors as well as on amounts paid for prescription drugs by entities subject to the legend drug use tax. This provision modifies the tax rate to 1.8 percent for all applicable revenues, effective December 31, 2019.

Article 9 Sec. 2. (*Tracking line 53 in the [Fiscal Summary of the Omnibus Tax Bill](#)*)