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Chapter 125 – Human Services Supplemental Budget (SF 5335/HF 5280)

Author: Senator John A. Hoffman

Prepared by: Liam Monahan, Legislative Analyst (651/296-1791)

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NOTE: Chapter 125 is identical to Laws 2024, Chapter 127, Articles 46 to 53.

ARTICLE 1 – DISABILITY SERVICES

Section 1 amends **13.46**, **subdivision 2** – **General**, the statute governing the disclosure of private welfare systems data to the commissioner of revenue, by making a conforming change related to the elimination of parental fees for certain residential mental health services for children and certain residential services for children with disabilities.

Section 2 amends **245.821**, **subdivision 1** – **Notice required**, by eliminating a cross-reference to "related condition" in a statute requiring notice to local units of government prior to establishing new residential settings for people with developmental disabilities.

Section 3 amends **245.825**, subdivision 1 – Rules governing aversive and deprivation procedures, by eliminating a cross-reference to "related condition" in a statute requiring the commissioner of human services to promulgate rules related to aversive and deprivation procedures in licensed facilities.

Section 4 amends **245A.03**, **subdivision** 7 – **Licensing moratorium**, by authorizing the commissioner of human services to approve exceptions to the existing moratorium on new community residential settings (CRS) settings if setting is licensed by the Minnesota Department of Health as a supervised living facility (SLF), not designated as an ICF/DD, has a capacity of six or fewer residents, and the commissioner determines there is a need for the expanded capacity of CRS licenses to meet the needs of individuals affected by the closure of the SLF. This exception is available until June 30, 2025.

Section 5 amends **245A.11**, subdivision 2a - Adult foster care and community residential setting license capacity, by authorizing the commissioner of human services to issue community

residential setting (CRS) licenses for a capacity of five to six beds to certain licensed supervised living facilities that are not ICF/DDs and to grant variances to age limitations for residents of community residential settings. This authority expires on June 30, 2025.

Section 6 amends **246.511 - RELATIVE RESPONSIBILITY**, by making a conforming change that removes reference to parental fees from the statute governing relatives' responsibilities for the cost of care provided by direct care and treatment.

Section 7 amends **252.27**, **subdivision 2b** - **Parental or guardian reimbursement to counties**, by limiting the responsibility for the cost of care incurred by a county for certain mental health services and disability services provided to a child in a residential setting to the total income attributable to the child, minus the child's clothing and personal needs allowance.

Section 8 amends **252.282**, **subdivision 1** – **Host county responsibility**, by making a technical change related to moving a definition of "local system needs planning" to a different subdivision within the same statutory section.

Section 9 adds **252.282**, **subdivision 1a** – **Definitions**, which adds two definitions that were moved from a different statutory location.

Section 10 amends **256.4764**, **subdivision 3** – **Allowable uses of grant money**, by clarifying that the existing \$1,000 annual limit on payments from the long-term services and supports workforce incentive grant program is a calendar year limit, and by prohibiting a worker from receiving payments under the long-term services and supports workforce incentive grant program if the worker received a payment under the nursing facility workforce incentive grant program.

Section 11 amends **256B.02**, **subdivision 11 – Related condition**, by moving the definition of "related condition" to which an existing cross-reference had pointed to this subdivision.

Section 12 adds **256B.076**, **subdivision 4** – **Case management provided under contract**, which requires a county agency that procures contracted case management services through a competitive proposal process to include the provision of culturally responsive programming as an evaluative criterion and defines "culturally responsive program."

Section 13 amends **256B.0911**, **subdivision 12 - Exception to use of MnCHOICES assessment; contracted assessors**, by indefinitely permitting an exception to the use of the MnCHOICES assessment tool by contracted assessors for personal care assistance services, consumer support grants, community first services and supports, various case management services, and semiindependent living services; and by exempting contracted assessors and the non-MnCHOICES assessments from most statutory requirements.

Section 14 amends **256B.0911**, **subdivision 13** – **MnCHOICES assessor qualifications**, **training**, **and certification**, by removing the requirements that registered nurses have at least two years of home and community-based services experience to become a certified MnCHOICES assessor.

Section 15 amends **256B.0911**, **subdivision 17 - MnCHOICES assessments**, by extending the required response to a request for an assessment from 20 calendar days to 20 working days.

Section 16 amends **256B.0911, subdivision 20 – MnCHOICES assessments; duration of validity**, by extending from 60 days to 365 days the validity of a completed MnCHOICES assessment and by making conforming changes.

Section 17 amends **256B.092**, **subdivision 1a** – **Case management services**, by requiring a county agency that procures contracted waiver case management services through a competitive proposal process to include the provision of culturally responsive programming as an evaluative criterion and by defining "culturally responsive program."

Section 18 amends **256B.0924**, **subdivision 3** – **Eligibility**, by making a conforming change related to moving the existing definition of "related condition" to a new statutory location.

Section 19 amends **256B.0949**, **subdivision 15** – **EIDBI provider qualifications**, by expanding the permitted credentials for a level I treatment provider to include being a qualified behavior analyst and expanding the permitted credentials for a level II treatment provider to include being a qualified autism service practitioner or an applied behavior analysis technician.

Section 20 amends **256B.49**, **subdivision 13** – **Case management**, by requiring a county agency that procures contracted waiver case management services through a competitive proposal process to include the provision of culturally responsive programming as an evaluative criterion and by defining "culturally responsive program."

Section 21 amends **256B.49**, **subdivision 16** – **Services and supports**, by eliminating from statute the language related to transitional supports, which continues to be included in the relevant federally-approved HCBS waiver plans.

Section 22 adds **256B.4911, subdivision 7** – **Budget procedures**, which requires a lead agency to provide a consumer-directed community supports participant with details on how the participant's individualized budget was calculated and with information related to appealing the budget determination.

Section 23 adds **256B.4911, subdivision 8** – Consumer-directed community supports policy, which specifies that the commissioner of human services is solely responsible for establishing policy and requirements related to consumer-directed community supports and clarifies that county-created policies, handbooks, or other guidance documents provided by counties have no independent authority.

Section 24 amends **256B.4912**, **subdivision 1** – **Provider qualifications**, by prohibiting a provider of alternative care services, elderly waiver services, or disability waiver services from requiring or coercing a client to move to a different service setting or choosing a different waiver plan.

Section 25 amends **256B.766**, **paragraphs (m) and (n)**, by extending for an additional year the existing medical assistance payment methodology for enteral nutrition and supplies.

Section 26 amends **256B.77**, **subdivision 7a** – **Eligible individuals**, by making a conforming change related to relocating the statutory placement of the definition of "related condition."

Section 27 amends **256S.07**, subdivision 1 – Elderly waiver case management provided by counties and tribes, by requiring a county agency that procures contracted elderly waiver case management services through a competitive proposal process to include the provision of culturally responsive programming as an evaluative criterion and by defining "culturally responsive program."

Section 28 amends **270B.14**, **subdivision 1** – **Disclosure to commissioner of human services**, by making a conforming change related to the repeal of certain parental fees by eliminating the authority of the commissioner of revenue to disclose income information to the commissioner of human services for the purposes of calculating parental fees.

Section 29 amends **447.42**, **subdivision 1** – **Establishment**, by making a conforming change related to relocating the statutory placement of the definition of "related condition."

Section 30 amends Laws 2021, First Special Session chapter 7, article 13, section 68 – DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES; DIRECT CARE SERVICES DURING SHORT-TERM ACUTE HOSPITAL VISITS, by refining a previously enacted requirement that the commissioner of human services submit draft legislation to the legislature related to permitting the provision of certain direct care services in acute care settings and by requiring the draft legislation to be submitted by January 2025.

Section 31 amends Laws 2023, chapter 61, article 1, section 60, subdivision 1 – Definitions, by modifying the definition of "new Americans" for the purposes of the New American Legal, Social Services, and Long-term care Workforce Grant Program.

Section 32 amends Laws 2023, chapter 61, article 1, section 60, subdivision 2 – Grant program established, by modifying the legal services that may be funded through the New American Legal, Social Services, and Long-term care Workforce Grant Program.

Section 33 permits establishment of **ASSISTIVE TECHNOLOGY LEAD AGENCY PARTNERSHIPS** between HCBS providers and lead agencies to assess the benefits of using assistive technology.

Section 34 directs the commissioner of human services to submit waiver amendments to modify the **CONSUMER-DIRECTED COMMUNITY SUPPORTS** option to clarify that allowable goods and services need not be for the sole benefit of the participant, to clarify that CDCS funds can be used to support community integration and inclusion, and to clarify that CDCS participants may pay a rate in excess of the state plan rate for similar services if the participant has an assessed need that requires it.

Section 35 directs the commissioner of human services to explore options related to **REIMBURSEMENT FOR PERSONAL CARE ASSISTANTS AND COMMUNITY-FIRST SERVICES AND SUPPORTS WORKERS** that would permit support works to be reimbursed for up to eight hours of overtime per week, to be paid to provide overnight staffing in the same manner as waiver services, and to allow consecutive shifts of 80 hours.

Section 36 directs the commissioner to submit waiver amendments to permit **DISABILITY HOME AND COMMUNITY-BASED SERVICES REIMBURSEMENT IN ACUTE CARE HOSPITAL STAYS** for unit-based services that are designed to ensure a smooth transition to HCBS settings and preserve the person's functional abilities.

Section 37 establishes an **ELECTRONIC VISIT VERIFICATION IMPLEMENTATION GRANT** program to provide funding to licensed home care providers to defray a portion of the costs attributable to complying with the electronic visit verification requirements.

Section 38 creates **EMERGENCY RELIEF GRANTS FOR RURAL EIDBI PROVIDERS** to allow rural EIDBI providers who are not generating sufficient revenue to cover the provider's operating expenses to apply for funding to preserve access to the services in the provider's area.

Section 39 establishes the **LEGISLATIVE TASK FORCE ON GUARDIANSHIP** to make recommendations by January 2027, to address concerns and gaps related to guardianship and less restrictive alternatives to guardianship, including increasing the number of available guardians, increasing compensation to guardians, establishing licensure or certification of guardians, educating

guardians on less restrictive options to guardianship, funding a guardianship complaint process, and limiting the loss of civil rights through guardianship.

Section 40 directs the commissioner of human services to increase the **TRANSITIONAL SUPPORTS ALLOWANCE** available under the four disability waivers from \$3,000 to \$4,114.

Section 41 directs the commissioner of human services to develop a TRIBAL VULNERABLE ADULT AND DEVELOPMENTAL DISABILITY TARGETED CASE MANAGEMENT MEDICAL ASSISTANCE BENEFIT.

Section 42 directs the commissioner of human services to explore options for **ELECTRONIC VISIT VERIFICATION SIMPLIFICATION FOR LIVE-IN CAREGIVERS** and submit recommendations to the legislature by February 1, 2025, to simplify documentations requirements and minimize burdens on live-in caregivers.

Section 43 creates a program to provide LICENSE TRANSITION SUPPORT FOR SMALL DISABILITY WAIVER PROVIDERS in the form of directed onetime payments of \$15,000 per setting to disability waiver services providers who have approved moratorium exceptions permitting them to transition their service setting from a customized living setting to a community residential setting.

Section 44 directs the commissioner to issue a request for proposals to design and conduct a **DISABILITY SERVICES PERSON-CENTERED ENGAGEMENT AND NAVIGATION STUDY** of people's experiences in accessing and navigating disability services and by January 15, 2026, to provide the legislature with recommendations based on the study to improve accessibility to disability services, efficiency, and person-centered systemic design.

Section 45 permits state-only funds to be used for **PERSONAL CARE ASSISTANCE COMPENSATION FOR SERVICES PROVIDED BY A PARENT OR SPOUSE** provided between October 1, 2024, and the full implementation of Community First Services and Supports.

Section 46 creates **OWN HOME SERVICES PROVIDER CAPACITY-BUILDING GRANTS** to incentivize chapter 245D-licensed HCBS providers to support individuals moving out of congregate living settings and into the individuals' own homes.

Section 47 establishes a **PEDIATRIC HOSPITAL-TO-HOME TRANSITION PILOT PROGRAM** to develop and implement strategies to expedite the discharge of pediatric patients from children's hospitals to their own homes with funding for the associated administrative, training and auxiliary services.

Section 48 is a **REPEALER.** Paragraphs (a), (c), and (d) repeal the language related to parental fees for certain residential mental health services for children and certain residential disability services for children. Paragraph (b) repeals statutory language related to the transitional supports allowance, but the allowance continues to be included in the federally approved HCBS disability waivers.

ARTICLE 2 - AGING SERVICES

Section 1 adds **144G.195 – FACILITY RELOCATION**, which allows, beginning March 15, 2025, a licensed assisted living facility with a licensed capacity of five or fewer residents to relocate to another location after paying a nonrefundable relocation fee of \$3,905 and complying with the requirements of the section.

Section 2 amends **144G.41**, **subdivision 1** – **Minimum Requirements**, by making technical changes by deleting language that is moved to two new subdivisions.

Section 3 adds **144G.41**, **subdivision 1a – Minimum requirements**; **required food services**, which recreates half of the language deleted from subdivision 1 and in paragraph (b) creates limited exceptions to the food code for small, assisted living facilities.

Section 4 adds **144G.41**, **subdivision 1b** – **Minimum requirements**; **other required services**, which recreates the other half of the language deleted from subdivision 1.

Section 5 amends **144G.63**, **subdivision 1** – **Orientation of staff and supervisors**, by allowing staff to move to another assisted living facility owned or managed by the same entity as the previous facility without repeating certain training and orientation requirements, provided the staff person receives supplementary training related to the specific facility and license-type.

Section 6 amends **144G.63**, **subdivision 4 - Training required relating to dementia, mental illness, and de-escalation**, by requiring supervisors and direct care staff to demonstrate understanding of the required training on mental health and de-escalation techniques.

Section 7 amends **144G.64 – TRAINING IN DEMENTIA, MENTAL ILLNESS AND DE-ESCALATION REQUIRED**, by specifing the required amount, frequency, and content of training in mental health and de-escalation techniques that must be completed beginning July 1, 2025, by all supervisors, direct care staff, and all other employees of assisted living facilities.

Section 8 amends **256.9755**, **subdivision 2** – **Authority**, by permitting the Minnesota Board on Aging to directly allocate appropriated state funds for the caregiver support program, which is a program designed to support family caregivers of persons with amyotrophic lateral sclerosis (ALS) who are living in the community.

Section 9 amends **256.9755**, **subdivision 3** – **Caregiver support services**, by removing the requirement that state funds appropriated for the caregiver support program, which targets family caregivers of persons with amyotrophic lateral sclerosis (ALS) who are living in the community, be used in a manner consistent with the National Family Caregiver Support Program, which targets different caregiver populations and different care recipients.

Section 10 amends **256.9756**, **subdivision 1** – **Caregiver respite service grant program established**, by removing from the stated purposes of the caregiver respite service grants available under this section providing respite services to the caregivers of older adults.

Section 11 amends **256.9756**, **subdivision 2** – **Eligible uses**, by removing from the eligible uses of grants available under this section providing respite services to caregivers of older adults.

Section 12 amends **256B.0913**, **subdivision 5** – **Services covered under alternative care**, by adding transitional services to the available services under the alternative care program for older adults.

Section 13 amends **256B.0913**, **subdivision 5a - Services**; **service definitions**; **service standards**, by removing the explicit exclusion of transitional services from the services available under the alternative care program.

Section 14 adds **256B.434, subdivision 4k** – **Property rate increase for certain facilities**, which temporarily increases the property rate for certain nursing facilities that have completed capital

improvement projects in recent years (but prior to the effective date of recently enacted changes to property rates).

Section 15 adds **256B.49**, **subdivision 28a** – **Transfer of customized living enrollment dates**, which permits a customized living provider who receives approval from the commissioner of health to relocate a licensed assisted living facility that is also an enrolled customized living setting, to apply to the commissioner of human services to transfer the enrollment date of the customized living setting from its existing location to the new setting and to be grandfathered and treated as if it were operational on January 11, 2021, and thus not subject to the moratorium on new customized living settings and not subject to the tiered standards for new customized living settings.

Section 16 amends **256R.55 LONG-TERM SERVCIES AND SUPPORTS LOAN PROGRAM**, by expanding the financially distressed nursing facility loan program to permit loans to providers of long-term services and supports, by specifying the purposes for which money loaned to providers of long-term services and supports may be used, and by establishing the loan program as a revolving loan program with a dedicated account in the special revenue fund. There is an associated Revisor Instruction that will recodify this section as 256.4792.

Section 17 adds **256S.191 ELDERLY WAIVER BUDGET AND RATE EXCEPTIONS; HIGH-NEED PARTICIPANTS,** which establishes effective January 1, 2026, a process for requesting elderly waiver budget exceptions and elderly waiver rate exceptions for individuals awaiting discharge from a hospital whose needs cannot be adequately met in the community without additional resources.

Section 18 amends **256S.205**, **subdivision 2** – **Rate adjustment applications**, by prohibiting the commissioner from accepting applications for a disproportionate share facility rate adjustment from a facility that is not receiving an adjustment in calendar year 2024, and by allowing a facility receiving an adjustment in 2024 to apply to continue to receive an adjustment in calendar year 2025.

Section 19 amends **256S.205**, subdivision 3 – Rate adjustment eligibility criteria, by allowing rate adjustments in 2025 only to facilities that are receiving a rate adjustment in 2024 and demonstrate that the facility continues to meet the eligibility requirements in September 2024.

Section 20 amends **256S.205**, subdivision **5** – Rate adjustment; rate floor, by reducing the existing rate floor for customized living services provided in certain settings with a high proportion of residents on certain public programs from approximately \$192 per day to \$141 per day.

Section 21 adds **256S.205**, subdivision 7 – Expiration, which sunsets the disproportionate share rate adjustment effective January 1, 2026.

Section 22 directs the commissioner of human services to conduct a **HOME AND COMMUNITY-BASED SERVICES SYSTEM REFORM ANALYSIS** and submit to the legislature by December 31, 2025, recommendations to reform the home and community-based services system to better service older adults with high support needs.

Section 23 is a **REVISOR INSTRUCTION** to recodify the former financially distressed nursing facility loan program as the long-term services and support loan program in a different chapter of statute.

ARTICLE 3 - SUBSTANCE USE DISORDER SERVICES

Section 1 amends **151.065**, **subdivision 7** – **Deposit of fees**, by making a conforming change related to the repeal of the contingent reduction in the fee amount imposed on manufacturers of opiate-containing controlled substances. With the repeal of the contingent reduction in the fee amount (see section 20 below), the annual fee amount will remain \$55,500 indefinitely.

Section 2 amends **245.91**, **subdivision 4** – **Facility or program**, by adding peer recovery support services to the definition of "program" for the purposes of the statutes governing the Office of the Ombudsman for Mental Health and Developmental Disabilities, thereby extending the authority to the Ombudsman to oversee these services.

Section 3 amends **245G.07**, **subdivision 2** – **Additional treatment services**, by clarifying the peer recovery support services that may be provided by or arranged for by a licensed substance use disorder service provider.

Section 4 amends **245I.04**, **subdivision 19** – **Recovery peer scope of practice**, by permitting a recovery peer to be supervised by a mental health professional, by requiring a recovery peer to develop and maintain an individual recovery plan for each client, and by specifying the required elements of supervision of a recovery peer.

Section 5 adds **254B.01**, **subdivision 4e** – **Individual recovery plan**, which defines "individual recovery plan" for the purposes of substance use disorder treatment services.

Section 6 adds **254B.01**, **subdivision 8a** – **Recovery peer**, which defines "recovery peer" for the purposes of substance use disorder treatment services.

Section 7 amends **254B.05**, **subdivision 1** – **Licensure or certification required**, by modifying the requirements recovery community organizations must meet to be eligible vendors of peer recovery support services reimbursed from the behavior health fund and by requiring recovery community organizations meet certification or accreditation requirements of newly specified certification or accreditation organizations. This section also requires recovery community organizations approved by the commissioner before June 30, 2023, to apply for certification or accreditation and to have begun to meet the peer recovery support services vendor qualifications by September1, 2024, in order to be eligible vendors of peer recovery support services. This section also allows complaints about a recovery community organization or peer recovery support services to be made to and reviewed or investigated by the ombudsperson for behavioral health and developmental disabilities.

Section 8 amends **256B.05**, **subdivision 5** – **Rate requirements**, by removing obsolete language; by requiring eligible vendors of peer recovery support services to submit to a review of up to ten percent of all MA and behavioral health fund claims for entities billing for peer recovery support services individually and not receiving a daily rate; by limiting an individual client to 14 hours per week of peer recovery support services from an individual; and by subjecting peer recovery support services not provided in accordance with specified requirements to monetary recovery.

Section 9 adds **254B.052** – **PEER RECOVERY SUPPORT SERVICE REQUIREMENTS**, which defines peer recovery support services, specifies requirements for the provision of reimbursable peer recovery services, including required elements of individual recovery plans, and by specifying medical assistance documentation requirements.

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Section 10 amends **254B.19**, **subdivision 1** – **Level of care requirements**, by clarifying that vendors of high-intensity residential substance use disorder treatment services must provide 30 hours of treatment services between January 1, 2024, and June 30, 2024.

Section 11 amends **256.043**, **subdivision 3 - Appropriations from registration and license fee account**, by (1) expanding the permissible uses of the so-called child protection distributions to counties and tribes to include substance use prevention services to families affected by addiction and (2) modifying the data set used to make allocations among the counties and tribes to smooth out the year over year fluctuations in amounts allocated to each county or tribe.

Section 12 adds **256B.0761 – REENTRY DEMOSTRATION WAIVER**, which requires the commissioner to submit a waiver application to CMS to implement an MA demonstration project to provide during the 90 days prior to community reentry limited health care and coordination services to individuals confined in a limited number state, local, or Tribal correctional facilities. This section also specifies certain requirements providers must meet to participate in the demonstration, specifies payment rates to participating providers, and requires the commissioner to convene a reentry services working group to consider ways to improve the demonstration under this section and related policies for justice-involved individuals.

Section 13 amends **256B.69**, **subdivision 4** – **Limitation of choice**, by requiring the commissioner of human services to exempt individuals participating in the reentry demonstration project from the requirement to enroll in a medical assistance managed care plan.

Section 14 amends **604A.04**, **subdivision 3** – **Health Care professionals; release from liability**, by expanding an existing protection from liability for the distribution or administration of opiate antagonists to include local units of government.

Section 15 is a **DIRECTION TO THE OMBUDSMAN OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES** requiring the ombudsman by September 30, 2025, to issue a report on received complaints involving peer recovery support services and recommendations on improving regulation and oversight of peer recovery support services.

Section 16 establishes a **PEER RECOVERY SUPPORT SERVICES AND RECOVERY COMMUNITY ORGANIZATION WORKING GROUP** to develop and provide no later than August 1, 2025, recommendations on improving access to and regulation and oversight of peer recovery support services and recovery community organizations.

Section 17 creates **CAPACITY BUILDING AND IMPLEMENTATION GRANTS FOR THE MEDICAL ASSISTANCE REENTRY DEOMSTRATION** to provide funding to local correctional facilities to develop policies and procedures and build required infrastructure and staff capacity to implement the reentry demonstration project in their facilities.

Section 18 requires the commissioner of human services to apply for a **1115 WAIVER FOR MEDICATION ASSISTANCE REENTRY DEMONSTRATION** project.

Section 19 establishes a **RESIDENTIAL SUBSTANCE USE DISORDER RATE INCREASE** of 3% for residential substance use disorder treatment services.

Section 20 is a **REPEALER** of the contingent reduction in the annual fees charged to manufactures of opiate-containing controlled substances.

ARTICLE 4 – PRIORITY ADMISSIONS AND CIVIL COMMITMENT

Section 1 amends **245I.23**, **subdivision 19a** – **Additional requirements for locked program facility**, by clarifying that a program providing intensive residential treatment services or residential crisis stabilization in a locked facility may only prevent individuals subject to civil commitment from leaving the locked facility, even if the individual wishing to leave is otherwise subject to court order treatment.

Section 2 amends **246.129** – **LEGISLATIVE APPROVAL REQUIRED**, by eliminating an existing exemption for state-operated enterprise services from required legislative approval before a direct care and treatment program is closed without mutual agreement with the relevant bargaining units with respect to transfer of existing state employees.

Section 3 amends **246.54**, **subdivision 1a - Anoka-Metro Regional Treatment Center**, by modifying an existing temporary reduction in county responsibility for the cost of care provided to individuals subject to civil commitment and are awaiting discharge from Anoka-Metro Regional Treatment Center because they no longer meet the level of care requirements.

Section 4 amends **246.54**, **subdivision 1b** – **Community behavioral health hospitals**, by modifying an existing temporary reduction in county responsibility for the cost of care provided to individuals subject to civil commitment and are awaiting discharge from a state-operated community behavioral health hospital because they no longer meet the level of care requirements.

Section 5 amends **253B.10, subdivision 1 – Administrative requirements**, by establishing a priority admissions framework for admission to direct care and treatment programs from jails or correctional facilities for individuals subject to civil commitment or referred for competency attainment or competency examination. The framework requires physicians in the executive medical director's office to consider the length of time an individual has been waiting for admission, the intensity of treatment of person requires, the person's provisional discharge status, the safety of others, access to treatment, and the effect on the referring facility of continued delay in admission. This section also establishes notice requirements related to priority status determinations, updates, and admission decisions.

Section 6 amends **256B.0622**, subdivision 8 – Medical assistance payments for assertive community treatment and intensive residential treatment services, by clarifying that medical assistance will only pay for medically necessary services provided to an individual who is eligible under medical assistance – a court order for treatment is not sufficient to guarantee reimbursement from medical assistance.

Section 7 establishes the **PRIORITY ADMISSIONS REVIEW PANEL** to evaluate the 48-hour timeline for admissions to direct care and treatment programs and by February 1, 2025, to develop policies and legislative proposals to limit delays in admissions to and to maximize capacity of direct care and treatment programs. The review panel must also monitor for one year the effectiveness of the newly enacted priority admissions framework.

Section 8 directs the commissioner of human services to provide **REIMBURSEMENT TO BELTRAMI COUNTY AND TODD COUNTY FOR CERTAIN COST OF CARE PAYMENTS** by either direct reimbursement or forgiveness of debt for the cost of care of certain individuals in AMRTC or a CBHH who are awaiting discharge to another state-operated facility or program.

Section 9 establishes the **MENTALLY ILL AND DANGEROUS CIVIL COMMITMENT REFORM TASK FORCE** to evaluate current statutes related to mentally ill and dangerous civil commitments and other state approaches to civil commitment and by August 1, 2025, to make recommendations to the legislature to modify existing statutes and to optimize the use of stateoperated mental health resources to increase equitable access and outcomes for patients.

Section 10 establishes **ENGAGEMENT SERVICES PILOT GRANTS**, one of which must be awarded to Otter Tail County, to evaluate the impact of engagement services in decreasing civil commitments, increasing engagement in treatment for mental health disorders, and reducing police involvement.

Section 11 requires the commissioner of human services to implement a **LIMITED EXCEPTION FOR ADMISSION FROM HOSPITAL SETTING** by adding up to 10 civilly committed patients awaiting discharge in a community hospital to the waiting list for admissions to a direct care and treatment facility.

Section 12 creates a **COUNTY CORRECTIONAL FACILITY LONG-ACTING INJECTIABLE ANTIPSYCHOTIC MEDICATION PILOT PROGRAM** to provide payments to county correctional facilities to support the administration of long-acting antipsychotic medications to prisoners requiring the medication as part of the prisoner's mental health treatment. This section also specifies the payment allocation and payment caps for the program.

Section 13 requires the direct care and treatment executive board to submit by January 15, 2025, a **REPORT ON INPATIENT SUBSTANCE USE DISORDER BEDS** containing recommendations for increasing the capacity of beds in inpatient substance use disorder treatment settings.

ARTICLE 5 – DIRECT CARE AND TREATMENT

Section 1 (10.65, subd. 2) adds DCT to the definition of "agency" for the purposes of the statutes governing government to government consultation with tribes.

Section 2 (13.46, subd. 1) makes a technical change.

Section 3 (13.46, subd. 2) adds DCT to the statute that permits disclosure of private data on individuals between DHS, DCT, DEED, and DOE for specified purposes, including for determining eligibility for medical assistance and other Minnesota Health Care Programs.

Section 4 (13.46, subd. 10) specifies that the responsible authority for DCT, for purposes of the government data practices act, is the chief executive officer of DCT.

Section 5 (15.01) strikes language added last session in chapter 61 that is not needed since Direct Care and Treatment will not be a state department with a commissioner, but an agency headed by a board.

Section 6 (15.06, subd. 1) strikes language added last session in chapter 61 that is not needed since Direct Care and Treatment will not be a state department with a commissioner, but an agency headed by a board.

Section 7 (15A.0815, subdivision 2) requires the salary of the CEO of DCT to be set by the Compensation Council.

Section 8 (15A.082, subdivision 1) requires the Compensation Council to determine the daily compensation for voting members of the DCT executive board.

Section 9 (15A.082, subdivision 3) establishes the required timelines for the Compensation Council to establish the daily compensation for voting members of the DCT executive board.

Section 10 (15A.082, subdivision 7) prohibits ex parte communications between members of the DCT executive board and members of the compensation council between the dates of the first meeting of the compensation committee and the date a recommendation concerning the daily compensation of executive board members is made.

Section 11 (43A.08, subd. 1) makes a technical change by explicitly mentioning the chief executive officer in DCT in the list of unclassified positions.

Section 12 (43A.08, subd. 1a) is a technical change adding DCT to this section, authorizing the executive board to designate unclassified positions.

Section 13 (145.61, subd. 5) adds DCT to the definition of a "review organization" for purposes of providing certain protections to peer review participants gathering and reviewing information relating to the care and treatment of patients.

Section 14 (246.018, subd. 3) requires the executive medical director of DCT to consult the chief executive officer regarding state operated programs and strikes obsolete language.

Section 15 (246.13, subd. 2) specifies the purpose of existing authority for the executive board to access medical and criminal histories of patients and makes technical changes.

Section 16 (246.234) makes grammatical changes.

Section 17 (246.36) makes grammatical changes and a conforming change by removing explicit mention of providers' ability to purchase from the Department of Administration equipment and supplies used in the provision of voluntary uncompensated services to DCT.

Section 18 (246C.01) makes a technical change.

Section 19 (246C.02) clarifies that DCT is an agency headed by an executive board and reorganizes language from subdivision 2 into subdivision 3.

Section 20 (246C.04) specifies that the commissioner of human services shall continue to exercise all statutory authorities and responsibilities for DCT until July 1, 2025, instead of January 1, 2025. (This language was enacted last session in Chapter 61 and is currently contained in section 246C.03 which is being repealed.) This section also eliminates from statute the 2023 language guaranteeing the salary of the CEO remains the same following separation. (The initial salary of the CEO is instead addressed in section 41.)

Section 21 (246C.05) makes conforming and technical changes.

Section 22 (246C.07) establishes the powers and duties of the executive board.

Subd. 1 specifies that the executive board must operate according to chapter 246C and applicable state and federal law, and that the overall management and control of the agency is vested in the board. This subdivision also specifies that the chief executive officer is responsible for the administrative and operational duties of the agency. It also authorizes the board to delegate any statutory duty or power as it deems appropriate to any employee other

than the chief executive officer of DCT as long as the delegation is made by written order and the order is filed with the secretary of state.

Subd. 2 specifies the overall principles that the executive board must follow in undertaking its duties and responsibilities of the agency.

Subd. 3 specifies that the executive board has the power to:

- 1) Set the overall strategic direction for DCT;
- 2) Establish the policies and procedures to govern DCT;
- 3) Employ personnel and delegate duties and responsibilities as deemed appropriate;
- 4) Review and approve the operating budget for DCT;
- 5) Accept gifts, grants, or contributions from any nonstate sources or not accept if not in the best interest of the state;
- 6) Deposit all money received and gifts, grants, or contributions as required under chapter 246C;
- 7) Expend or use any gift, grant, or contribution in a manner compatible with both the intent of the contribution and the best interests of those served by DCT programs;
- 8) Comply with all conditions and requirements necessary to receive federal aid or block grants with respect to the establishment, construction, maintenance, equipment, or operation of DCT facilities, programs and services;
- 9) Enter into information sharing agreements with federal and state agencies;
- 10) Enter into interagency or service level agreements with a state department, state agency, or the Department of Information Technology Services;
- 11) Enter into contractual agreements with federally recognized Indian tribes;
- 12) Enter into contracts with public and private agencies, organizations, and individuals;
- 13) Establish and maintain administrative units necessary for the performance of the administrative functions of DCT;
- 14) Authorize the method of payment to and from DCT;
- 15) Inform Tribal nations and county agencies of changes in statutes, rule, federal law, regulation, and policy necessary for counties to administer direct care and treatment programs and services;
- 16) Report to the legislature on the performance of DCT;
- 17) Recommend to the legislature appropriate changes in law necessary to carry out the principles and improve performance of DCT; and
- 18) Exercise all powers reasonably necessary to implement and administer the requirements of chapter 246C and applicable state and federal laws.

Subd. 4 authorizes the board to establish by-laws.

Subd. 5 permits the Governor to request a performance review of the CEO at any time, and upon such a request from the Governor requires the executive board to complete the performance review within 14 days and authorizes a representative of the Governor to participate as a voting member of the executive board for the purposes of the performance review.

Section 23 (246C.08) establishes the position of chief executive officer and specifies the powers and duties of the CEO.

Subd. 1 authorizes the executive board to appoint the chief executive officer with the advice and consent of the Senate. It also specifies that the chief executive officer shall serve at the pleasure of the executive board.

Subd. 2 specifies that the chief executive officer is responsible for the administrative and operational management of the agency. It also specifies that the chief executive officer has all the powers and duties of the board unless the board directs otherwise and has the authority to speak for the board within the agency and outside the agency. It also specifies that if a vacancy occurs within the chief executive officer position for any reason, the executive medical officer of DCT shall immediately become the temporary chief executive officer until the executive board appoints a new chief executive officer and that during that period the executive medical officer shall have all the powers and authority delegated to the chief executive officer.

Section 24 (246C.091) establishes the following Direct Care and Treatment accounts in the special revenue fund of the state treasury: gifts, grants, and contributions account; facilities management account; systems account; and cemetery maintenance account.

Section 25 to section 29 (**256.88** – **256.92**) provides DCT access to the social welfare fund that is established for the purpose of holding funds in trust for persons who have a developmental disability, a mental health disorder, or substance use disorder, or other wards or beneficiaries.

Section 30 to section 33 are technical, conforming the effective dates with the extension of the date that authority for DCT transfer from DHS to DCT.

Section 34 (246C.015 – Definitions) makes technical changes.

Section 35 (246C.06 – EXECUTIVE BOARD; MEMBERSHIP; GOVERNANCE) specifies the executive board membership and governance.

Subd. 1 makes technical changes to the language establishing the executive board.

Subd. 2 expands the board membership to nine members, seven of whom are voting members, including the commissioner of human services, and two non-voting members. It also specifies that six of the voting members, other than the commissioner of human services, are appointed by the governor with advice and consent of the senate and specifies the required qualifications for membership of these six members. It also specifies that there will be two non-voting members, one member appointed by the association of counties, and one member appointed by joint representatives of the labor unions that represent staff at DCT facilities.

Subd. 3 specifies that section 15.0575 covers the terms, compensation, removal, and filling of vacancies for the executive board, unless otherwise provided in this section.

Subd. 4 states that nonvoting members must not receive daily compensation for executive board activities, and may receive expenses on the same terms as specified in the "commissioner's plan," childcare expenses with board approval. The compensation of voting board members, except the commissioner of human services, shall be determined by the compensation council, and voting members may receive expenses on the same terms as specified in the "commissioner's plan," and childcare expenses with board approval.

Subd. 5 requires the governor to select one governor appointed member to serve as the initial acting chair of the executive board and authorizes the board to elect annually a chair and other officers.

Subd. 6 specifies the term limits of the members and the terms of the initial members.

Subd. 7 requires members to recuse themselves from discussion of and voting on any official matter if the member has a conflict of interest.

Subd. 8 requires the board to meet at least four times per fiscal year at a time and place specified by the board.

Subd. 9 specifies that a majority of voting members constitutes a quorum but requires an affirmative vote of a majority of all members to take action.

Subd. 10 provides immunity to the members of the board from civil liability for any act or omission occurring within the scope of performing their duties and states that for purposes of indemnity the members are employees of the state.

Subd. 11 gives the board rulemaking authority to implement chapter 246C and any responsibilities of DCT specified in law. Authorizes the board to use the expediated rulemaking process until July 1, 2027. Clarifies that any rule, order, delegation, permits, or other privileges issued by the commissioner of human services with respect to DCT and in effect at the time of the establishment of DCT shall continue in effect.

Section 36 (246C.10 – FORENSIC SERVICES) makes technical and conforming changes.

Section 37 makes a technical correction to Laws 2024, chapter 79, article 1, section 25, subdivision 3.

Section 38 amends the **REVISOR INSTRUCTION** from Laws 2024, chapter 79, the recodification of DCT statutes to make technical and conforming changes.

Section 39 amends the **EFFECTIVE DATE** of Laws 2024, chapter 79, the recodification of DCT statutes to make the entire recodification bill (but not this bill) effective July 1, 2024.

Section 40 establishes the temporary **DIRECT CARE AND TREATMENT ADVISORY COMMITTEE** and requires the executive board to regularly consult with the advisory committee until December 31, 2027 regarding the operation of DCT.

Section 41 [INITIAL APPOINTMENTS OF THE DIRECT CARE AND TREATMENT EXCUTIVE BOARD AND CHIEF EXECUTIVE OFFICER]

Subd. 1 requires the initial appointment of the Direct Care and Treatment executive board to be made by January 1, 2025, and sets an initial daily compensation rate for board members until the compensation council sets a permanent compensation rate. This subdivision also exempts the board from the open meeting law until the authority and responsibilities for DCT are transferred to the board.

Subd. 2 requires the executive board to appoint the chief executive officer of the direct care and treatment division of the Department of Human Services to the position of chief executive officer of Direct Care and Treatment by July 1, 2025, subject to Seante confirmation. This subdivision also specifies the initial salary of the CEO of DCT.

Subd. 3 requires the commissioner of human services to consult with the executive board when the commissioner prepares the budget estimates for the next fiscal biennium or any proposed legislative changes that involve DCT. If the board has not been appointed, the commissioner is required to provide the board with a summary of any budget estimate or proposal submitted for DCT.

Section 40 is a **REVISOR INSTRUCTION.**

Section 41 is a **REVISOR INSTRUCTION.**

Section 42 is a **REVISOR INSTRUCTION.**

Section 43 is a **REPEALER** that repeals sections 246.41 and 246C.03 since the language is unnecessary or redundant. Also repeals 253C.01, which is obsolete.

ARTICLE 6 – MISCELLANEOUS

Section 1 adds **FREE COMMUNICATION SERVICES**, which requires DCT treatment facilities to temporarily provide patients and clients with free communication services until June 30, 2026, which must include voice communication services and may also include video, email, and electronic messaging communication, provided the patient's or client's right to communication is not otherwise limited, and requires reporting to the legislature regarding communication services.

Section 2 establishes a **PLANNING COMMUNITY CARE HUB GRANT** to develop and design a community care hub model that serves as a centralized administrative and operational interface between health care institutions and community-based organizations to provide culturally informed services to address health-related social needs and community-informed health promotion programs.

Section 3 directs the commissioner of human services to develop strategies to implement interventions to address unmet health-related needs and begin preparing applications for **FEDERAL WAIVERS FOR HEALTH-RELATED NEEDS** to receive federal reimbursement.

Section 4 establishes the **WORKING GROUP ON SIMPLIFYING SUPPORTIVE HOUSING RESOURCES** to identify how to reduce administrative complexities, improve equity and access, and accelerate transitions from homelessness to sustainable long-term housing.

Section 5 requires the commissioner of human services to issue a **HOMELESSNESS REPORT** by January 15, 2025, describing the efforts of DHS and MHFA to reduce homelessness.

Section 6 directs the commissioner of human services prior to implementing **TARGETED CASE MANAGEMENT REDISIGN** to consult with MACSSA to identify changes to the information systems related to fee-for-service target case management.

Section 7 is a **REVISOR INSTRUCTION** recodifying the transitional housing programs and the emergency services grants from Chapter 256E – Community Social Services into Chapter 256K – Services for Homeless Families and Youth

ARTICLE 7 – HUMAN SERVICES RESPONSE CONTINGENCY ACCOUNT

Section 1 adds 256.044 - HUMAN SERVICES RESPONSE CONTINGENCY ACCOUNT,

which creates an account in the special revenue fund and appropriates the balance, which does not cancel, to the commission of human services to respond to emerging or immediate needs related to supporting the health, welfare or safety of people for which other funding is insufficient. This section also specifies reporting requirements.

ARTICLE 8 - APPROPRIATIONS

Section 1 is **boilerplate** appropriation language.

Section 2 contains appropriations to the Commissioner of Human Services and associated riders.

Section 3 contains appropriations to the Commissioner of Health and associated riders.

Section 4 contains appropriations to the Council on Disability and associated riders.

Section 5 contains appropriations to the **Commissioner of Corrections** and associated riders.

Section 6 contains appropriations to the **Commissioner of Employment and Economic Development** and associated riders.

Section 7 modifies the 2021 appropriation to Minnesota Centers for Independent Living for **HCBS** Access grants.

Section 8 modifies the **transfer authority** of the Commissioner of Management and Budget with respect to the Minnesota Forward Fund account, the Minnesota Climate Innovation Authority account, and the State Competitiveness Fund account.

Section 9 reduces the 2023 appropriation to the **Minnesota Forward Fund** account by \$10,000,000.

Section 10 extends the date of a required report related to the **Direct Care Services Corps** pilot project by one year.

Section 11 aligns the effective date of the **new rates for substance use disorder treatment services with medications for opioid use disorder** to align with the 2023 spreadsheet.

Section 12 extends the availability of a 2023 appropriation for the **Direct Care Services Corps** pilot project by one year.

Section 13 modifies the name of the **financially distressed nursing facility loan program** in the 2023 appropriation to the long-term services and supports loan program.

Section 14 extends the availability of the 2023 appropriation for the **Home Care Orientation Trust** by one year and clarifies that the 2023 appropriation for **self-advocacy grants** for people with intellectual and developmental disabilities was onetime.

Section 15 cancels the \$500,000 2024 appropriation for **Start-up and Capacity Building Grants for Withdrawal Management** and extends the availability of the 2023 appropriation for **Project ECHO** by two years.

Section 16 modifies two 2023 appropriations for **mobile crisis grants** by expanding eligible uses of the grants to include children's mental health crisis services.

Section 17 specifies the amounts of reduced revenue related to the **cost of care debt of Beltrami County and Todd County.**

Section 18 revives and reenacts the housing support supplemental service rate reductions.

Section 19 is **boilerplate language** to prevent the same appropriation being enacted twice (See Laws 2024, Chapter 125).

Section 20 is a **direction to commissioner of management and budget** related to establishing the fiscal year 2026 and fiscal year 2027 budgets for Direct Care and Treatment.

Section 21 repeals the 2023 **repeal of the housing support supplemental service rate reductions**. Section 22 is **boilerplate language** related to uncodified language in the bill.

Section 23 is the **effective date**.

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