

471.1 (viii) information on any physical or mental condition or chemical dependency that  
471.2 impairs the person's ability to engage in the practice of occupational therapy with reasonable  
471.3 judgment or safety;

471.4 (ix) a description of any misdemeanor or felony conviction that relates to honesty or to  
471.5 the practice of occupational therapy;

471.6 (x) a description of any state or federal court order, including a conciliation court  
471.7 judgment or a disciplinary order, related to the individual's occupational therapy practice;  
471.8 and

471.9 (xi) a statement indicating the physical agent modalities the applicant will use and  
471.10 whether the applicant will use the modalities as an occupational therapist or an occupational  
471.11 therapy assistant under direct supervision;

471.12 (2) submit with the application all fees required by section 148.6445;

471.13 (3) sign a statement that the information in the application is true and correct to the best  
471.14 of the applicant's knowledge and belief;

471.15 (4) sign a waiver authorizing the ~~commissioner~~ board to obtain access to the applicant's  
471.16 records in this or any other state in which the applicant holds or previously held a credential  
471.17 for the practice of an occupation, has completed an accredited occupational therapy education  
471.18 program, or engaged in the practice of occupational therapy;

471.19 (5) submit additional information as requested by the ~~commissioner~~ board; and

471.20 (6) submit the additional information required for licensure by equivalency, licensure  
471.21 by reciprocity, and temporary licensure as specified in sections 148.6408 to 148.6418.

471.22 **EFFECTIVE DATE.** This section is effective January 1, 2018.

471.23 Sec. 18. Minnesota Statutes 2016, section 148.6420, subdivision 3, is amended to read:

471.24 Subd. 3. **Applicants certified by National Board for Certification in Occupational**  
471.25 **Therapy.** An applicant who is certified by the National Board for Certification in  
471.26 Occupational Therapy must provide the materials required in subdivision 1 and the following:

471.27 (1) verified documentation from the National Board for Certification in Occupational  
471.28 Therapy stating that the applicant is certified as an occupational therapist, registered or  
471.29 certified occupational therapy assistant, the date certification was granted, and the applicant's  
471.30 certification number. The document must also include a statement regarding disciplinary  
471.31 actions. The applicant is responsible for obtaining this documentation by sending a form

472.1 provided by the ~~commissioner~~ board to the National Board for Certification in Occupational  
472.2 Therapy; and

472.3 (2) a waiver authorizing the ~~commissioner~~ board to obtain access to the applicant's  
472.4 records maintained by the National Board for Certification in Occupational Therapy.

472.5 **EFFECTIVE DATE.** This section is effective January 1, 2018.

472.6 Sec. 19. Minnesota Statutes 2016, section 148.6420, subdivision 5, is amended to read:

472.7 Subd. 5. **Action on applications for licensure.** (a) The ~~commissioner~~ board shall  
472.8 approve, approve with conditions, or deny licensure. The ~~commissioner~~ board shall act on  
472.9 an application for licensure according to paragraphs (b) to (d).

472.10 (b) The ~~commissioner~~ board shall determine if the applicant meets the requirements for  
472.11 licensure. The ~~commissioner~~ board, or the advisory council at the ~~commissioner's~~ board's  
472.12 request, may investigate information provided by an applicant to determine whether the  
472.13 information is accurate and complete.

472.14 (c) The ~~commissioner~~ board shall notify an applicant of action taken on the application  
472.15 and, if licensure is denied or approved with conditions, the grounds for the ~~commissioner's~~  
472.16 board's determination.

472.17 (d) An applicant denied licensure or granted licensure with conditions may make a  
472.18 written request to the ~~commissioner~~ board, within 30 days of the date of the ~~commissioner's~~  
472.19 board's determination, for reconsideration of the ~~commissioner's~~ board's determination.  
472.20 Individuals requesting reconsideration may submit information which the applicant wants  
472.21 considered in the reconsideration. After reconsideration of the ~~commissioner's~~ board's  
472.22 determination to deny licensure or grant licensure with conditions, the ~~commissioner~~ board  
472.23 shall determine whether the original determination should be affirmed or modified. An  
472.24 applicant is allowed no more than one request in any one biennial licensure period for  
472.25 reconsideration of the ~~commissioner's~~ board's determination to deny licensure or approve  
472.26 licensure with conditions.

472.27 **EFFECTIVE DATE.** This section is effective January 1, 2018.

472.28 Sec. 20. Minnesota Statutes 2016, section 148.6423, is amended to read:

472.29 **148.6423 LICENSURE RENEWAL.**

472.30 Subdivision 1. **Renewal requirements.** To be eligible for licensure renewal, a licensee  
472.31 must:



473.1 (1) submit a completed and signed application for licensure renewal on forms provided  
473.2 by the ~~commissioner~~ board;

473.3 (2) submit the renewal fee required under section 148.6445;

473.4 (3) submit proof of having met the continuing education requirement of section 148.6443  
473.5 on forms provided by the ~~commissioner~~ board; and

473.6 (4) submit additional information as requested by the ~~commissioner~~ board to clarify  
473.7 information presented in the renewal application. The information must be submitted within  
473.8 30 days after the ~~commissioner's~~ board's request.

473.9 Subd. 2. **Renewal deadline.** (a) Except as provided in paragraph (c), licenses must be  
473.10 renewed every two years. Licensees must comply with the following procedures in paragraphs  
473.11 (b) to (e):

473.12 (b) Each license must state an expiration date. An application for licensure renewal must  
473.13 be received by the ~~Department of Health~~ board or postmarked at least 30 calendar days  
473.14 before the expiration date. If the postmark is illegible, the application shall be considered  
473.15 timely if received at least 21 calendar days before the expiration date.

473.16 (c) If the ~~commissioner~~ board changes the renewal schedule and the expiration date is  
473.17 less than two years, the fee and the continuing education contact hours to be reported at the  
473.18 next renewal must be prorated.

473.19 (d) An application for licensure renewal not received within the time required under  
473.20 paragraph (b), but received on or before the expiration date, must be accompanied by a late  
473.21 fee in addition to the renewal fee specified by section 148.6445.

473.22 (e) Licensure renewals received after the expiration date shall not be accepted and persons  
473.23 seeking licensed status must comply with the requirements of section 148.6425.

473.24 Subd. 3. **Licensure renewal notice.** At least 60 calendar days before the expiration date  
473.25 in subdivision 2, the ~~commissioner~~ board shall mail a renewal notice to the licensee's last  
473.26 known address on file with the ~~commissioner~~ board. The notice must include an application  
473.27 for licensure renewal and notice of fees required for renewal. The licensee's failure to receive  
473.28 notice does not relieve the licensee of the obligation to meet the renewal deadline and other  
473.29 requirements for licensure renewal.

473.30 **EFFECTIVE DATE.** This section is effective January 1, 2018.

474.1 Sec. 21. Minnesota Statutes 2016, section 148.6425, subdivision 2, is amended to read:

474.2 Subd. 2. **Licensure renewal after licensure expiration date.** An individual whose  
474.3 application for licensure renewal is received after the licensure expiration date must submit  
474.4 the following:

474.5 (1) a completed and signed application for licensure following lapse in licensed status  
474.6 on forms provided by the ~~commissioner~~ board;

474.7 (2) the renewal fee and the late fee required under section 148.6445;

474.8 (3) proof of having met the continuing education requirements in section 148.6443,  
474.9 subdivision 1; and

474.10 (4) additional information as requested by the ~~commissioner~~ board to clarify information  
474.11 in the application, including information to determine whether the individual has engaged  
474.12 in conduct warranting disciplinary action as set forth in section 148.6448. The information  
474.13 must be submitted within 30 days after the ~~commissioner's~~ board's request.

474.14 **EFFECTIVE DATE.** This section is effective January 1, 2018.

474.15 Sec. 22. Minnesota Statutes 2016, section 148.6425, subdivision 3, is amended to read:

474.16 Subd. 3. **Licensure renewal four years or more after licensure expiration date.** (a)  
474.17 An individual who requests licensure renewal four years or more after the licensure expiration  
474.18 date must submit the following:

474.19 (1) a completed and signed application for licensure on forms provided by the  
474.20 ~~commissioner~~ board;

474.21 (2) the renewal fee and the late fee required under section 148.6445 if renewal application  
474.22 is based on paragraph (b), clause (1), (2), or (3), or the renewal fee required under section  
474.23 148.6445 if renewal application is based on paragraph (b), clause (4);

474.24 (3) proof of having met the continuing education requirement in section 148.6443,  
474.25 subdivision 1, except the continuing education must be obtained in the two years immediately  
474.26 preceding application renewal; and

474.27 (4) at the time of the next licensure renewal, proof of having met the continuing education  
474.28 requirement, which shall be prorated based on the number of months licensed during the  
474.29 two-year licensure period.

474.30 (b) In addition to the requirements in paragraph (a), the applicant must submit proof of  
474.31 one of the following:

475.1 (1) verified documentation of successful completion of 160 hours of supervised practice  
475.2 approved by the ~~commissioner~~ board as described in paragraph (c);

475.3 (2) verified documentation of having achieved a qualifying score on the credentialing  
475.4 examination for occupational therapists or the credentialing examination for occupational  
475.5 therapy assistants administered within the past year;

475.6 (3) documentation of having completed a combination of occupational therapy courses  
475.7 or an occupational therapy refresher program that contains both a theoretical and clinical  
475.8 component approved by the ~~commissioner~~ board. Only courses completed within one year  
475.9 preceding the date of the application or one year after the date of the application qualify for  
475.10 approval; or

475.11 (4) evidence that the applicant holds a current and unrestricted credential for the practice  
475.12 of occupational therapy in another jurisdiction and that the applicant's credential from that  
475.13 jurisdiction has been held in good standing during the period of lapse.

475.14 (c) To participate in a supervised practice as described in paragraph (b), clause (1), the  
475.15 applicant shall obtain limited licensure. To apply for limited licensure, the applicant shall  
475.16 submit the completed limited licensure application, fees, and agreement for supervision of  
475.17 an occupational therapist or occupational therapy assistant practicing under limited licensure  
475.18 signed by the supervising therapist and the applicant. The supervising occupational therapist  
475.19 shall state the proposed level of supervision on the supervision agreement form provided  
475.20 by the ~~commissioner~~ board. The supervising therapist shall determine the frequency and  
475.21 manner of supervision based on the condition of the patient or client, the complexity of the  
475.22 procedure, and the proficiencies of the supervised occupational therapist. At a minimum, a  
475.23 supervising occupational therapist shall be on the premises at all times that the person  
475.24 practicing under limited licensure is working; be in the room ten percent of the hours worked  
475.25 each week by the person practicing under limited licensure; and provide daily face-to-face  
475.26 collaboration for the purpose of observing service competency of the occupational therapist  
475.27 or occupational therapy assistant, discussing treatment procedures and each client's response  
475.28 to treatment, and reviewing and modifying, as necessary, each treatment plan. The supervising  
475.29 therapist shall document the supervision provided. The occupational therapist participating  
475.30 in a supervised practice is responsible for obtaining the supervision required under this  
475.31 paragraph and must comply with the ~~commissioner's~~ board's requirements for supervision  
475.32 during the entire 160 hours of supervised practice. The supervised practice must be completed  
475.33 in two months and may be completed at the applicant's place of work.



476.1 (d) In addition to the requirements in paragraphs (a) and (b), the applicant must submit  
476.2 additional information as requested by the ~~commissioner~~ board to clarify information in the  
476.3 application, including information to determine whether the applicant has engaged in conduct  
476.4 warranting disciplinary action as set forth in section 148.6448. The information must be  
476.5 submitted within 30 days after the ~~commissioner's~~ board's request.

476.6 **EFFECTIVE DATE.** This section is effective January 1, 2018.

476.7 Sec. 23. Minnesota Statutes 2016, section 148.6428, is amended to read:

476.8 **148.6428 CHANGE OF NAME, ADDRESS, OR EMPLOYMENT.**

476.9 A licensee who changes a name, address, or employment must inform the ~~commissioner~~  
476.10 board, in writing, of the change of name, address, employment, business address, or business  
476.11 telephone number within 30 days. A change in name must be accompanied by a copy of a  
476.12 marriage certificate or court order. All notices or other correspondence mailed to or served  
476.13 on a licensee by the ~~commissioner~~ board at the licensee's address on file with the  
476.14 ~~commissioner~~ board shall be considered as having been received by the licensee.

476.15 **EFFECTIVE DATE.** This section is effective January 1, 2018.

476.16 Sec. 24. Minnesota Statutes 2016, section 148.6443, subdivision 5, is amended to read:

476.17 Subd. 5. **Reporting continuing education contact hours.** Within one month following  
476.18 licensure expiration, each licensee shall submit verification that the licensee has met the  
476.19 continuing education requirements of this section on the continuing education report form  
476.20 provided by the ~~commissioner~~ board. The continuing education report form may require  
476.21 the following information:

- 476.22 (1) title of continuing education activity;
- 476.23 (2) brief description of the continuing education activity;
- 476.24 (3) sponsor, presenter, or author;
- 476.25 (4) location and attendance dates;
- 476.26 (5) number of contact hours; and
- 476.27 (6) licensee's notarized affirmation that the information is true and correct.

476.28 **EFFECTIVE DATE.** This section is effective January 1, 2018.

477.1 Sec. 25. Minnesota Statutes 2016, section 148.6443, subdivision 6, is amended to read:

477.2 Subd. 6. **Auditing continuing education reports.** (a) The ~~commissioner~~ board may  
477.3 audit a percentage of the continuing education reports based on random selection. A licensee  
477.4 shall maintain all documentation required by this section for two years after the last day of  
477.5 the biennial licensure period in which the contact hours were earned.

477.6 (b) All renewal applications that are received after the expiration date may be subject  
477.7 to a continuing education report audit.

477.8 (c) Any licensee against whom a complaint is filed may be subject to a continuing  
477.9 education report audit.

477.10 (d) The licensee shall make the following information available to the ~~commissioner~~  
477.11 board for auditing purposes:

477.12 (1) a copy of the completed continuing education report form for the continuing education  
477.13 reporting period that is the subject of the audit including all supporting documentation  
477.14 required by subdivision 5;

477.15 (2) a description of the continuing education activity prepared by the presenter or sponsor  
477.16 that includes the course title or subject matter, date, place, number of program contact hours,  
477.17 presenters, and sponsors;

477.18 (3) documentation of self-study programs by materials prepared by the presenter or  
477.19 sponsor that includes the course title, course description, name of sponsor or author, and  
477.20 the number of hours required to complete the program;

477.21 (4) documentation of university, college, or vocational school courses by a course  
477.22 syllabus, listing in a course bulletin, or equivalent documentation that includes the course  
477.23 title, instructor's name, course dates, number of contact hours, and course content, objectives,  
477.24 or goals; and

477.25 (5) verification of attendance by:

477.26 (i) a signature of the presenter or a designee at the continuing education activity on the  
477.27 continuing education report form or a certificate of attendance with the course name, course  
477.28 date, and licensee's name;

477.29 (ii) a summary or outline of the educational content of an audio or video educational  
477.30 activity to verify the licensee's participation in the activity if a designee is not available to  
477.31 sign the continuing education report form;

478.1 (iii) verification of self-study programs by a certificate of completion or other  
478.2 documentation indicating that the individual has demonstrated knowledge and has  
478.3 successfully completed the program; or

478.4 (iv) verification of attendance at a university, college, or vocational course by an official  
478.5 transcript.

478.6 **EFFECTIVE DATE.** This section is effective January 1, 2018.

478.7 Sec. 26. Minnesota Statutes 2016, section 148.6443, subdivision 7, is amended to read:

478.8 Subd. 7. **Waiver of continuing education requirements.** The ~~commissioner~~ board may  
478.9 grant a waiver of the requirements of this section in cases where the requirements would  
478.10 impose an extreme hardship on the licensee. The request for a waiver must be in writing,  
478.11 state the circumstances that constitute extreme hardship, state the period of time the licensee  
478.12 wishes to have the continuing education requirement waived, and state the alternative  
478.13 measures that will be taken if a waiver is granted. The ~~commissioner~~ board shall set forth,  
478.14 in writing, the reasons for granting or denying the waiver. Waivers granted by the  
478.15 ~~commissioner~~ board shall specify, in writing, the time limitation and required alternative  
478.16 measures to be taken by the licensee. A request for waiver shall be denied if the ~~commissioner~~  
478.17 board finds that the circumstances stated by the licensee do not support a claim of extreme  
478.18 hardship, the requested time period for waiver is unreasonable, the alternative measures  
478.19 proposed by the licensee are not equivalent to the continuing education activity being waived,  
478.20 or the request for waiver is not submitted to the ~~commissioner~~ board within 60 days after  
478.21 the expiration date.

478.22 **EFFECTIVE DATE.** This section is effective January 1, 2018.

478.23 Sec. 27. Minnesota Statutes 2016, section 148.6443, subdivision 8, is amended to read:

478.24 Subd. 8. **Penalties for noncompliance.** The ~~commissioner~~ board shall refuse to renew  
478.25 or grant, or shall suspend, condition, limit, or qualify the license of any person who the  
478.26 ~~commissioner~~ board determines has failed to comply with the continuing education  
478.27 requirements of this section. A licensee may request reconsideration of the ~~commissioner's~~  
478.28 board's determination of noncompliance or the penalty imposed under this section by making  
478.29 a written request to the ~~commissioner~~ board within 30 days of the date of notification to the  
478.30 applicant. Individuals requesting reconsideration may submit information that the licensee  
478.31 wants considered in the reconsideration.

478.32 **EFFECTIVE DATE.** This section is effective January 1, 2018.



479.1 Sec. 28. Minnesota Statutes 2016, section 148.6445, subdivision 1, is amended to read:

479.2 Subdivision 1. **Initial licensure fee.** The initial licensure fee for occupational therapists  
479.3 is \$145. The initial licensure fee for occupational therapy assistants is \$80. The ~~commissioner~~  
479.4 board shall prorate fees based on the number of quarters remaining in the biennial licensure  
479.5 period.

479.6 **EFFECTIVE DATE.** This section is effective January 1, 2018.

479.7 Sec. 29. Minnesota Statutes 2016, section 148.6445, subdivision 10, is amended to read:

479.8 Subd. 10. **Use of fees.** All fees are nonrefundable. The ~~commissioner~~ board shall only  
479.9 use fees collected under this section for the purposes of administering this chapter. The  
479.10 legislature must not transfer money generated by these fees from the state government  
479.11 special revenue fund to the general fund. ~~Surcharges collected by the commissioner of health~~  
479.12 ~~under section 16E.22 are not subject to this subdivision.~~

479.13 **EFFECTIVE DATE.** This section is effective January 1, 2018.

479.14 Sec. 30. Minnesota Statutes 2016, section 148.6448, is amended to read:

479.15 **148.6448 GROUNDS FOR DENIAL OF LICENSURE OR DISCIPLINE;**  
479.16 **INVESTIGATION PROCEDURES; DISCIPLINARY ACTIONS.**

479.17 Subdivision 1. **Grounds for denial of licensure or discipline.** The ~~commissioner~~ board  
479.18 may deny an application for licensure, may approve licensure with conditions, or may  
479.19 discipline a licensee using any disciplinary actions listed in subdivision 3 on proof that the  
479.20 individual has:

479.21 (1) intentionally submitted false or misleading information to the ~~commissioner~~ board  
479.22 or the advisory council;

479.23 (2) failed, within 30 days, to provide information in response to a written request by the  
479.24 ~~commissioner~~ board or advisory council;

479.25 (3) performed services of an occupational therapist or occupational therapy assistant in  
479.26 an incompetent manner or in a manner that falls below the community standard of care;

479.27 (4) failed to satisfactorily perform occupational therapy services during a period of  
479.28 temporary licensure;

479.29 (5) violated sections 148.6401 to 148.6450 148.6449;

- 480.1 (6) failed to perform services with reasonable judgment, skill, or safety due to the use  
480.2 of alcohol or drugs, or other physical or mental impairment;
- 480.3 (7) been convicted of violating any state or federal law, rule, or regulation which directly  
480.4 relates to the practice of occupational therapy;
- 480.5 (8) aided or abetted another person in violating any provision of sections 148.6401 to  
480.6 ~~148.6450~~ 148.6449;
- 480.7 (9) been disciplined for conduct in the practice of an occupation by the state of Minnesota,  
480.8 another jurisdiction, or a national professional association, if any of the grounds for discipline  
480.9 are the same or substantially equivalent to those in sections 148.6401 to ~~148.6450~~ 148.6449;
- 480.10 (10) not cooperated with the ~~commissioner or advisory council~~ board in an investigation  
480.11 conducted according to subdivision 2;
- 480.12 (11) advertised in a manner that is false or misleading;
- 480.13 (12) engaged in dishonest, unethical, or unprofessional conduct in connection with the  
480.14 practice of occupational therapy that is likely to deceive, defraud, or harm the public;
- 480.15 (13) demonstrated a willful or careless disregard for the health, welfare, or safety of a  
480.16 client;
- 480.17 (14) performed medical diagnosis or provided treatment, other than occupational therapy,  
480.18 without being licensed to do so under the laws of this state;
- 480.19 (15) paid or promised to pay a commission or part of a fee to any person who contacts  
480.20 the occupational therapist for consultation or sends patients to the occupational therapist  
480.21 for treatment;
- 480.22 (16) engaged in an incentive payment arrangement, other than that prohibited by clause  
480.23 (15), that promotes occupational therapy overutilization, whereby the referring person or  
480.24 person who controls the availability of occupational therapy services to a client profits  
480.25 unreasonably as a result of client treatment;
- 480.26 (17) engaged in abusive or fraudulent billing practices, including violations of federal  
480.27 Medicare and Medicaid laws, Food and Drug Administration regulations, or state medical  
480.28 assistance laws;
- 480.29 (18) obtained money, property, or services from a consumer through the use of undue  
480.30 influence, high pressure sales tactics, harassment, duress, deception, or fraud;
- 480.31 (19) performed services for a client who had no possibility of benefiting from the services;

481.1 (20) failed to refer a client for medical evaluation when appropriate or when a client  
481.2 indicated symptoms associated with diseases that could be medically or surgically treated;

481.3 (21) engaged in conduct with a client that is sexual or may reasonably be interpreted by  
481.4 the client as sexual, or in any verbal behavior that is seductive or sexually demeaning to a  
481.5 patient;

481.6 (22) violated a federal or state court order, including a conciliation court judgment, or  
481.7 a disciplinary order issued by the ~~commissioner~~ board, related to the person's occupational  
481.8 therapy practice; or

481.9 (23) any other just cause related to the practice of occupational therapy.

481.10 Subd. 2. **Investigation of complaints.** The ~~commissioner~~, or the advisory council when  
481.11 ~~authorized by the commissioner~~, board may initiate an investigation upon receiving a  
481.12 complaint or other oral or written communication that alleges or implies that a person has  
481.13 violated sections 148.6401 to ~~148.6450~~ 148.6449. In the receipt, investigation, and hearing  
481.14 of a complaint that alleges or implies a person has violated sections 148.6401 to ~~148.6450~~  
481.15 148.6449, the ~~commissioner~~ board shall follow the procedures in section 214.10.

481.16 Subd. 3. **Disciplinary actions.** If the ~~commissioner~~ board finds that an occupational  
481.17 therapist or occupational therapy assistant should be disciplined according to subdivision  
481.18 1, the ~~commissioner~~ board may take any one or more of the following actions:

481.19 (1) refuse to grant or renew licensure;

481.20 (2) approve licensure with conditions;

481.21 (3) revoke licensure;

481.22 (4) suspend licensure;

481.23 (5) any reasonable lesser action including, but not limited to, reprimand or restriction  
481.24 on licensure; or

481.25 (6) any action authorized by statute.

481.26 Subd. 4. **Effect of specific disciplinary action on use of title.** Upon notice from the  
481.27 ~~commissioner~~ board denying licensure renewal or upon notice that disciplinary actions have  
481.28 been imposed and the person is no longer entitled to practice occupational therapy and use  
481.29 the occupational therapy and licensed titles, the person shall cease to practice occupational  
481.30 therapy, to use titles protected by sections 148.6401 to ~~148.6450~~ 148.6449, and to represent  
481.31 to the public that the person is licensed by the ~~commissioner~~ board.



482.1 Subd. 5. **Reinstatement requirements after disciplinary action.** A person who has  
482.2 had licensure suspended may request and provide justification for reinstatement following  
482.3 the period of suspension specified by the ~~commissioner~~ board. The requirements of sections  
482.4 148.6423 and 148.6425 for renewing licensure and any other conditions imposed with the  
482.5 suspension must be met before licensure may be reinstated.

482.6 Subd. 6. **Authority to contract.** The ~~commissioner~~ board shall contract with the health  
482.7 professionals services program as authorized by sections 214.31 to 214.37 to provide these  
482.8 services to practitioners under this chapter. The health professionals services program does  
482.9 not affect the ~~commissioner's~~ board's authority to discipline violations of sections 148.6401  
482.10 to ~~148.6450~~ 148.6449.

482.11 **EFFECTIVE DATE.** This section is effective January 1, 2018.

482.12 Sec. 31. **[148.6449] BOARD OF OCCUPATIONAL THERAPY PRACTICE.**

482.13 **Subdivision 1. Creation.** The Board of Occupational Therapy Practice consists of 11  
482.14 members appointed by the governor. The members are:

482.15 (1) five occupational therapists licensed under sections 148.6401 to 148.6449;

482.16 (2) three occupational therapy assistants licensed under sections 148.6401 to 148.6449;  
482.17 and

482.18 (3) three public members, including two members who have received occupational  
482.19 therapy services or have a family member who has received occupational therapy services,  
482.20 and one member who is a health care professional or health care provider licensed in  
482.21 Minnesota.

482.22 Subd. 2. **Qualifications of board members.** (a) The occupational therapy practitioners  
482.23 appointed to the board must represent a variety of practice areas and settings.

482.24 (b) At least two occupational therapy practitioners must be employed outside the  
482.25 seven-county metropolitan area.

482.26 (c) Board members shall serve for not more than two consecutive terms.

482.27 Subd. 3. **Recommendations for appointment.** Prior to the end of the term of a member  
482.28 of the board, or within 60 days after a position on the board becomes vacant, the Minnesota  
482.29 Occupational Therapy Association and other interested persons and organizations may  
482.30 recommend to the governor members qualified to serve on the board. The governor may  
482.31 appoint members to the board from the list of persons recommended or from among other  
482.32 qualified candidates.

483.1      Subd. 4. **Officers.** The board shall biennially elect from its membership a chair, vice-chair,  
483.2      and secretary-treasurer. Each officer shall serve until a successor is elected.

483.3      Subd. 5. **Executive director.** The board shall appoint and employ an executive director  
483.4      who is not a member of the board. The employment of the executive director shall be subject  
483.5      to the terms described in section 214.04, subdivision 2a.

483.6      Subd. 6. **Terms; compensation; removal of members.** Membership terms, compensation  
483.7      of members, removal of members, the filling of membership vacancies, and fiscal year and  
483.8      reporting requirements shall be as provided in chapter 214. The provision of staff,  
483.9      administrative services, and office space; the review and processing of complaints; the  
483.10      setting of board fees; and other activities relating to board operations shall be conducted  
483.11      according to chapter 214.

483.12      Subd. 7. **Duties of the Board of Occupational Therapy Practice.** (a) The board shall:

483.13      (1) adopt and enforce rules and laws necessary for licensing occupational therapy  
483.14      practitioners;

483.15      (2) adopt and enforce rules for regulating the professional conduct of the practice of  
483.16      occupational therapy;

483.17      (3) issue licenses to qualified individuals in accordance with sections 148.6401 to  
483.18      148.6449;

483.19      (4) assess and collect fees for the issuance and renewal of licenses;

483.20      (5) educate the public about the requirements for licensing occupational therapy  
483.21      practitioners, educate occupational therapy practitioners about the rules of conduct, and  
483.22      enable the public to file complaints against applicants and licensees who may have violated  
483.23      sections 148.6401 to 148.6449; and

483.24      (6) investigate individuals engaging in practices that violate sections 148.6401 to  
483.25      148.6449 and take necessary disciplinary, corrective, or other action according to section  
483.26      148.6448.

483.27      (b) The board may adopt rules necessary to define standards or carry out the provisions  
483.28      of sections 148.6401 to 148.6449. Rules shall be adopted according to chapter 14.

483.29      **EFFECTIVE DATE.** This section is effective January 1, 2018.

483.30      Sec. 32. Minnesota Statutes 2016, section 148.881, is amended to read:

483.31      **148.881 DECLARATION OF POLICY.**



484.1 The practice of psychology in Minnesota affects the public health, safety, and welfare.  
484.2 The regulations in ~~sections 148.88 to 148.98~~ the Minnesota Psychology Practice Act as  
484.3 enforced by the Board of Psychology protect the public ~~from the practice of psychology by~~  
484.4 ~~unqualified persons and from unethical or unprofessional conduct by persons licensed to~~  
484.5 ~~practice psychology~~ through licensure and regulation to promote access to safe, ethical, and  
484.6 competent psychological services.

484.7 Sec. 33. Minnesota Statutes 2016, section 148.89, is amended to read:

484.8 **148.89 DEFINITIONS.**

484.9 Subdivision 1. **Applicability.** For the purposes of sections 148.88 to 148.98, the following  
484.10 terms have the meanings given them.

484.11 Subd. 2. **Board of Psychology or board.** "Board of Psychology" or "board" means the  
484.12 board established under section 148.90.

484.13 Subd. 2a. **Client.** "Client" means ~~each individual or legal, religious, academic,~~  
484.14 ~~organizational, business, governmental, or other entity that receives, received, or should~~  
484.15 ~~have received, or arranged for another individual or entity to receive services from an~~  
484.16 ~~individual regulated under sections 148.88 to 148.98. Client also means an individual's~~  
484.17 ~~legally authorized representative, such as a parent or guardian. For the purposes of sections~~  
484.18 ~~148.88 to 148.98, "client" may include patient, resident, counselee, evaluatee, and, as limited~~  
484.19 ~~in the rules of conduct, student, supervisee, or research subject. In the case of dual clients,~~  
484.20 ~~the licensee or applicant for licensure must be aware of the responsibilities to each client,~~  
484.21 ~~and of the potential for divergent interests of each client~~ a direct recipient of psychological  
484.22 services within the context of a professional relationship that may include a child, adolescent,  
484.23 adult, couple, family, group, organization, community, or other entity. The client may be  
484.24 the person requesting the psychological services or the direct recipient of the services.

484.25 Subd. 2b. **Credentialed.** "Credentialed" means having a license, certificate, charter,  
484.26 registration, or similar authority to practice in an occupation regulated by a governmental  
484.27 board or agency.

484.28 Subd. 2c. **Designated supervisor.** "Designated supervisor" means a qualified individual  
484.29 who is ~~designated~~ identified and assigned by the primary supervisor to provide additional  
484.30 supervision and training to ~~a licensed psychological practitioner or to an individual who is~~  
484.31 ~~obtaining required predegree supervised professional experience or postdegree supervised~~  
484.32 psychological employment.



485.1 Subd. 2d. **Direct services.** "Direct services" means the delivery of preventive, diagnostic,  
485.2 assessment, or therapeutic intervention services where the primary purpose is to benefit a  
485.3 client who is the direct recipient of the service.

485.4 Subd. 2e. **Full-time employment.** "Full-time employment" means a minimum of 35  
485.5 clock hours per week.

485.6 Subd. 3. **Independent practice.** "Independent practice" means the practice of psychology  
485.7 without supervision.

485.8 Subd. 3a. **Jurisdiction.** "Jurisdiction" means the United States, United States territories,  
485.9 or Canadian provinces or territories.

485.10 Subd. 4. **Licensee.** "Licensee" means a person who is licensed by the board as a licensed  
485.11 psychologist or as a licensed psychological practitioner.

485.12 Subd. 4a. **Provider or provider of services.** "Provider" or "provider of services" means  
485.13 any individual who is regulated by the board, and includes a licensed psychologist, a licensed  
485.14 psychological practitioner, a licensee, or an applicant.

485.15 Subd. 4b. **Primary supervisor.** "Primary supervisor" means a psychologist licensed in  
485.16 Minnesota or other qualified individual who provides the principal supervision to a licensed  
485.17 psychological practitioner or to an individual who is obtaining required predegree supervised  
485.18 professional experience or postdegree supervised psychological employment.

485.19 Subd. 5. **Practice of psychology.** "Practice of psychology" means the observation,  
485.20 description, evaluation, interpretation, or prediction, or modification of human behavior by  
485.21 the application of psychological principles, methods, or procedures for any reason, including  
485.22 to prevent, eliminate, or manage the purpose of preventing, eliminating, evaluating, assessing,  
485.23 or predicting symptomatic, maladaptive, or undesired behavior; applying psychological  
485.24 principles in legal settings; and to enhance enhancing interpersonal relationships, work, life  
485.25 and developmental adjustment, personal and organizational effectiveness, behavioral health,  
485.26 and mental health. The practice of psychology includes, but is not limited to, the following  
485.27 services, regardless of whether the provider receives payment for the services:

485.28 (1) psychological research and teaching of psychology subject to the exemptions in  
485.29 section 148.9075;

485.30 (2) ~~assessment, including psychological testing and other means of evaluating personal~~  
485.31 ~~characteristics such as intelligence, personality, abilities, interests, aptitudes, and~~  
485.32 ~~neuropsychological functioning~~ psychological testing and the evaluation or assessment of

486.1 personal characteristics, such as intelligence, personality, cognitive, physical and emotional  
486.2 abilities, skills, interests, aptitudes, and neuropsychological functioning;

486.3 ~~(3) a psychological report, whether written or oral, including testimony of a provider as~~  
486.4 ~~an expert witness, concerning the characteristics of an individual or entity~~ counseling,  
486.5 psychoanalysis, psychotherapy, hypnosis, biofeedback, and behavior analysis and therapy;

486.6 ~~(4) psychotherapy, including but not limited to, categories such as behavioral, cognitive,~~  
486.7 ~~emotive, systems, psychophysiological, or insight-oriented therapies; counseling; hypnosis;~~  
486.8 ~~and diagnosis and treatment of:~~

486.9 ~~(i) mental and emotional disorder or disability;~~

486.10 ~~(ii) alcohol and substance dependence or abuse;~~

486.11 ~~(iii) disorders of habit or conduct;~~

486.12 ~~(iv) the psychological aspects of physical illness or condition, accident, injury, or~~  
486.13 ~~disability, including the psychological impact of medications;~~

486.14 ~~(v) life adjustment issues, including work-related and bereavement issues; and~~

486.15 ~~(vi) child, family, or relationship issues~~

486.16 ~~(4) diagnosis, treatment, and management of mental or emotional disorders or disabilities,~~  
486.17 substance use disorders, disorders of habit or conduct, and the psychological aspects of  
486.18 physical illness, accident, injury, or disability;

486.19 ~~(5) psychoeducational services and treatment~~ psychoeducational evaluation, therapy,  
486.20 and remediation; and

486.21 ~~(6) consultation and supervision~~ with physicians, other health care professionals, and  
486.22 clients regarding available treatment options, including medication, with respect to the  
486.23 provision of care for a specific client;

486.24 ~~(7) provision of direct services to individuals or groups for the purpose of enhancing~~  
486.25 individual and organizational effectiveness, using psychological principles, methods, and  
486.26 procedures to assess and evaluate individuals on personal characteristics for individual  
486.27 development or behavior change or for making decisions about the individual; and

486.28 ~~(8) supervision and consultation related to any of the services described in this~~  
486.29 subdivision.



487.1        **Subd. 6. Telesupervision.** "Telesupervision" means the clinical supervision of  
487.2 psychological services through a synchronous audio and video format where the supervisor  
487.3 is not physically in the same facility as the supervisee.

487.4        Sec. 34. Minnesota Statutes 2016, section 148.90, subdivision 1, is amended to read:

487.5        Subdivision 1. **Board of Psychology.** (a) The Board of Psychology is created with the  
487.6 powers and duties described in this section. The board has 11 members who consist of:

487.7        (1) ~~three~~ four individuals licensed as licensed psychologists who have doctoral degrees  
487.8 in psychology;

487.9        (2) two individuals licensed as licensed psychologists who have master's degrees in  
487.10 psychology;

487.11        (3) two psychologists, not necessarily licensed, ~~one with a~~ who have doctoral degree  
487.12 degrees in psychology ~~and one with either a doctoral or master's degree in psychology~~  
487.13 representing different training programs in psychology;

487.14        ~~(4) one individual licensed or qualified to be licensed as: (i) through December 31, 2010,~~  
487.15 ~~a licensed psychological practitioner; and (ii) after December 31, 2010, a licensed~~  
487.16 ~~psychologist; and~~

487.17        ~~(5)~~ (4) three public members.

487.18        (b) After the date on which fewer than 30 percent of the individuals licensed by the  
487.19 board as licensed psychologists qualify for licensure under section 148.907, subdivision 3,  
487.20 paragraph (b), vacancies filled under paragraph (a), clause (2), shall be filled by an individual  
487.21 with either a master's or doctoral degree in psychology licensed or qualified to be licensed  
487.22 as a licensed psychologist.

487.23        (c) After the date on which fewer than 15 percent of the individuals licensed by the board  
487.24 as licensed psychologists qualify for licensure under section 148.907, subdivision 3,  
487.25 paragraph (b), vacancies under paragraph (a), clause (2), shall be filled by an individual  
487.26 with either a master's or doctoral degree in psychology licensed or qualified to be licensed  
487.27 as a licensed psychologist.

487.28        Sec. 35. Minnesota Statutes 2016, section 148.90, subdivision 2, is amended to read:

487.29        Subd. 2. **Members.** (a) The members of the board shall:

487.30        (1) be appointed by the governor;

487.31        (2) be residents of the state;



- 488.1 (3) serve for not more than two consecutive terms;
- 488.2 (4) designate the officers of the board; and
- 488.3 (5) administer oaths pertaining to the business of the board.
- 488.4 (b) A public member of the board shall represent the public interest and shall not:
- 488.5 (1) be a psychologist, ~~psychological practitioner~~, or have engaged in the practice of
- 488.6 psychology;
- 488.7 (2) be an applicant or former applicant for licensure;
- 488.8 (3) be a member of another health profession and be licensed by a health-related licensing
- 488.9 board as defined under section 214.01, subdivision 2; the commissioner of health; or licensed,
- 488.10 certified, or registered by another jurisdiction;
- 488.11 (4) be a member of a household that includes a psychologist ~~or psychological practitioner~~;
- 488.12 or
- 488.13 (5) have conflicts of interest or the appearance of conflicts with duties as a board member.
- 488.14 Sec. 36. Minnesota Statutes 2016, section 148.905, subdivision 1, is amended to read:
- 488.15 Subdivision 1. **General.** The board shall:
- 488.16 (1) adopt and enforce rules for licensing psychologists ~~and psychological practitioners~~
- 488.17 and for regulating their professional conduct;
- 488.18 (2) adopt and enforce rules of conduct governing the practice of psychology;
- 488.19 (3) adopt and implement rules for examinations which shall be held at least once a year
- 488.20 to assess applicants' knowledge and skills. The examinations may be written or oral or both,
- 488.21 and may be administered by the board or by institutions or individuals designated by the
- 488.22 board; Before the adoption and implementation of a new national examination, the board
- 488.23 must consider whether the examination:
- 488.24 (i) demonstrates reasonable reliability and external validity;
- 488.25 (ii) is normed on a reasonable representative and diverse national sample; and
- 488.26 (iii) is intended to assess an applicant's education, training, and experience for the purpose
- 488.27 of public protection;
- 488.28 (4) issue licenses to individuals qualified under sections 148.907 ~~and 148.908~~, 148.909,
- 488.29 148.915, and 148.916, according to the procedures for licensing in Minnesota Rules;
- 488.30 (5) issue copies of the rules for licensing to all applicants;

- 489.1 (6) establish and maintain annually a register of current licenses;
- 489.2 (7) establish and collect fees for the issuance and renewal of licenses and other services  
489.3 by the board. Fees shall be set to defray the cost of administering the provisions of sections  
489.4 148.88 to 148.98 including costs for applications, examinations, enforcement, materials,  
489.5 and the operations of the board;
- 489.6 (8) educate the public ~~about~~ on the requirements for ~~licensing of psychologists and of~~  
489.7 ~~psychological practitioners~~ licenses issued by the board and ~~about~~ on the rules of conduct;  
489.8 ~~to~~;
- 489.9 (9) enable the public to file complaints against applicants or licensees who may have  
489.10 violated the Psychology Practice Act; and
- 489.11 (9) ~~(10)~~ adopt and implement requirements for continuing education; and
- 489.12 (11) establish or approve programs that qualify for professional psychology continuing  
489.13 educational credit. The board may hire consultants, agencies, or professional psychological  
489.14 associations to establish and approve continuing education courses.
- 489.15 Sec. 37. Minnesota Statutes 2016, section 148.907, subdivision 1, is amended to read:
- 489.16 Subdivision 1. **Effective date.** ~~After August 1, 1991,~~ No person shall engage in the  
489.17 independent practice of psychology unless that person is licensed as a licensed psychologist  
489.18 or is exempt under section 148.9075.
- 489.19 Sec. 38. Minnesota Statutes 2016, section 148.907, subdivision 2, is amended to read:
- 489.20 Subd. 2. **Requirements for licensure as licensed psychologist.** To become licensed  
489.21 by the board as a licensed psychologist, an applicant shall comply with the following  
489.22 requirements:
- 489.23 (1) pass an examination in psychology;
- 489.24 (2) pass a professional responsibility examination on the practice of psychology;
- 489.25 (3) pass any other examinations as required by board rules;
- 489.26 (4) pay nonrefundable fees to the board for applications, processing, testing, renewals,  
489.27 and materials;
- 489.28 (5) ~~have~~ attained the age of majority, be of good moral character, and have no unresolved  
489.29 disciplinary action or complaints pending in the state of Minnesota or any other jurisdiction;

490.1 (6) have earned a doctoral degree with a major in psychology from a regionally accredited  
490.2 educational institution meeting the standards the board has established by rule; and

490.3 (7) have completed at least one full year or the equivalent in part time of postdoctoral  
490.4 supervised psychological employment in no less than 12 months and no more than 60  
490.5 months. If the postdoctoral supervised psychological employment goes beyond 60 months,  
490.6 the board may grant a variance to this requirement.

490.7 Sec. 39. [148.9075] EXEMPTIONS TO LICENSE REQUIREMENT.

490.8 Subdivision 1. General. (a) Nothing in sections 148.88 to 148.98 shall prevent members  
490.9 of other professions or occupations from performing functions for which they are competent  
490.10 and properly authorized by law. The following individuals are exempt from the licensure  
490.11 requirements of the Minnesota Psychology Practice Act, provided they operate in compliance  
490.12 with the stated exemption:

490.13 (1) individuals licensed by a health-related licensing board as defined under section  
490.14 214.01, subdivision 2, or by the commissioner of health;

490.15 (2) individuals authorized as mental health practitioners as defined under section 245.462,  
490.16 subdivision 17; and

490.17 (3) individuals authorized as mental health professionals under section 245.462,  
490.18 subdivision 18.

490.19 (b) Any of these individuals must not hold themselves out to the public by any title or  
490.20 description stating or implying they are licensed to engage in the practice of psychology  
490.21 unless they are licensed under sections 148.88 to 148.98 or are using a title in compliance  
490.22 with section 148.96.

490.23 Subd. 2. Business or industrial organization. Nothing in sections 148.88 to 148.98  
490.24 shall prevent the use of psychological techniques by a business or industrial organization  
490.25 for its own personnel purposes or by an employment agency or state vocational rehabilitation  
490.26 agency for the evaluation of the agency's clients prior to a recommendation for employment.  
490.27 However, a representative of an industrial or business firm or corporation may not sell,  
490.28 offer, or provide psychological services as specified in section 148.89, unless the services  
490.29 are performed or supervised by an individual licensed under sections 148.88 to 148.98.

490.30 Subd. 3. School psychologist. (a) Nothing in sections 148.88 to 148.98 shall be construed  
490.31 to prevent a person who holds a license or certificate issued by the State Board of Teaching  
490.32 in accordance with chapters 122A and 129 from practicing school psychology within the  
490.33 scope of employment if authorized by a board of education or by a private school that meets



491.1 the standards prescribed by the State Board of Teaching, or from practicing as a school  
491.2 psychologist within the scope of employment in a program for children with disabilities.

491.3 (b) Any person exempted under this subdivision shall not offer psychological services  
491.4 to any other individual, organization, or group for remuneration, monetary or otherwise,  
491.5 unless the person is licensed by the Board of Psychology under sections 148.88 to 148.98.

491.6 Subd. 4. **Clergy or religious officials.** Nothing in sections 148.88 to 148.98 shall be  
491.7 construed to prevent recognized religious officials, including ministers, priests, rabbis,  
491.8 imams, Christian Science practitioners, and other persons recognized by the board, from  
491.9 conducting counseling activities that are within the scope of the performance of their regular  
491.10 recognizable religious denomination or sect, as defined in current federal tax regulations,  
491.11 if the religious official does not refer to the official's self as a psychologist and the official  
491.12 remains accountable to the established authority of the religious denomination or sect.

491.13 Subd. 5. **Teaching and research.** Nothing in sections 148.88 to 148.98 shall be construed  
491.14 to prevent a person employed in a secondary, postsecondary, or graduate institution from  
491.15 teaching and conducting research in psychology within an educational institution that is  
491.16 recognized by a regional accrediting organization or by a federal, state, county, or local  
491.17 government institution, agency, or research facility, so long as:

491.18 (1) the institution, agency, or facility provides appropriate oversight mechanisms to  
491.19 ensure public protections; and

491.20 (2) the person is not providing direct clinical services to a client or clients as defined in  
491.21 sections 148.88 to 148.98.

491.22 Subd. 6. **Psychologist in disaster or emergency relief.** Nothing in sections 148.88 to  
491.23 148.98 shall be construed to prevent a psychologist sent to this state for the sole purpose of  
491.24 responding to a disaster or emergency relief effort of the state government, the federal  
491.25 government, the American Red Cross, or other disaster or emergency relief organization as  
491.26 long as the psychologist is not practicing in Minnesota longer than 30 days and the sponsoring  
491.27 organization can certify the psychologist's assignment to this state. The board or its designee,  
491.28 at its discretion, may grant an extension to the 30-day time limitation of this subdivision.

491.29 Subd. 7. **Psychological consultant.** A license under sections 148.88 to 148.98 is not  
491.30 required by a nonresident of the state, serving as an expert witness, organizational consultant,  
491.31 presenter, or educator on a limited basis provided the person is appropriately trained,  
491.32 educated, or has been issued a license, certificate, or registration by another jurisdiction.

492.1     Subd. 8. **Students.** Nothing in sections 148.88 to 148.98 shall prohibit the practice of  
492.2 psychology under qualified supervision by a practicum psychology student, a predoctoral  
492.3 psychology intern, or an individual who has earned a doctoral degree in psychology and is  
492.4 in the process of completing their postdoctoral supervised psychological employment. A  
492.5 student trainee or intern shall use the titles as required under section 148.96, subdivision 3.

492.6     Subd. 9. **Other professions.** Nothing in sections 148.88 to 148.98 shall be construed to  
492.7 authorize a person licensed under sections 148.88 to 148.98 to engage in the practice of any  
492.8 profession regulated under Minnesota law, unless the individual is duly licensed or registered  
492.9 in that profession.

492.10    Sec. 40. [148.9077] **RELICENSURE.**

492.11     A former licensee may apply to the board for licensure after complying with all laws  
492.12 and rules required for applicants for licensure that were in effect on the date the initial  
492.13 Minnesota license was granted. The former licensee must verify to the board that the former  
492.14 licensee has not engaged in the practice of psychology in this state since the last date of  
492.15 active licensure, except as permitted under statutory licensure exemption, and must submit  
492.16 a fee for relicensure.

492.17    Sec. 41. Minnesota Statutes 2016, section 148.9105, subdivision 1, is amended to read:

492.18     Subdivision 1. **Application.** Retired providers who are licensed or were formerly licensed  
492.19 to practice psychology in the state according to the Minnesota Psychology Practice Act may  
492.20 apply to the board for psychologist emeritus registration ~~or psychological practitioner~~  
492.21 ~~emeritus registration~~ if they declare that they are retired from the practice of psychology in  
492.22 Minnesota, have not been the subject of disciplinary action in any jurisdiction, and have no  
492.23 unresolved complaints in any jurisdiction. Retired providers shall complete the necessary  
492.24 forms provided by the board and pay a onetime, nonrefundable fee of \$150 at the time of  
492.25 application.

492.26    Sec. 42. Minnesota Statutes 2016, section 148.9105, subdivision 4, is amended to read:

492.27     Subd. 4. **Documentation of status.** A provider granted emeritus registration shall receive  
492.28 a document certifying that emeritus status has been granted by the board and that the  
492.29 registrant has completed the registrant's active career as a psychologist ~~or psychological~~  
492.30 ~~practitioner~~ licensed in good standing with the board.



493.1 Sec. 43. Minnesota Statutes 2016, section 148.9105, subdivision 5, is amended to read:

493.2 Subd. 5. **Representation to public.** In addition to the descriptions allowed in section  
493.3 148.96, subdivision 3, paragraph (e), former licensees who have been granted emeritus  
493.4 registration may represent themselves as "psychologist emeritus" or "~~psychological~~  
493.5 ~~practitioner emeritus,~~" but shall not represent themselves or allow themselves to be  
493.6 represented to the public as "licensed" or otherwise as current licensees of the board.

493.7 Sec. 44. Minnesota Statutes 2016, section 148.916, subdivision 1, is amended to read:

493.8 Subdivision 1. **Generally.** ~~If (a)~~ A nonresident of the state of Minnesota, who is not  
493.9 seeking licensure in this state, and who has been issued a license, certificate, or registration  
493.10 by another jurisdiction to practice psychology ~~at the doctoral level, wishes and who intends~~  
493.11 to practice in Minnesota for more than ~~seven calendar~~ 30 days, ~~the person~~ shall apply to the  
493.12 board for guest licensure, ~~provided that~~. The psychologist's practice in Minnesota is limited  
493.13 to no more than nine consecutive months per calendar year. Application under this section  
493.14 shall be made no less than 30 days prior to the expected date of practice in Minnesota and  
493.15 shall be subject to approval by the board or its designee. ~~The board shall charge a~~  
493.16 ~~nonrefundable fee for guest licensure. The board shall adopt rules to implement this section.~~

493.17 (b) To be eligible for licensure under this section, the applicant must:

493.18 (1) have a license, certification, or registration to practice psychology from another  
493.19 jurisdiction;

493.20 (2) have a doctoral degree in psychology from a regionally accredited institution;

493.21 (3) be of good moral character;

493.22 (4) have no pending complaints or active disciplinary or corrective actions in any  
493.23 jurisdiction;

493.24 (5) pass a professional responsibility examination designated by the board; and

493.25 (6) pay a fee to the board.

493.26 Sec. 45. Minnesota Statutes 2016, section 148.916, subdivision 1a, is amended to read:

493.27 Subd. 1a. **Applicants for licensure.** (a) An applicant who is seeking licensure in this  
493.28 state, and who, at the time of application, is licensed, certified, or registered to practice  
493.29 psychology in another jurisdiction at the doctoral level may apply to the board for guest  
493.30 licensure in order to begin practicing psychology in this state while their application is being



494.1 processed if the applicant is of good moral character and has no complaints, corrective, or  
494.2 disciplinary action pending in any jurisdiction.

494.3 (b) Application under this section subdivision shall be made no less than 30 days prior  
494.4 to the expected date of practice in this state, and must be made concurrently or after  
494.5 submission of an application for licensure as a licensed psychologist if applicable.  
494.6 Applications under this section subdivision are subject to approval by the board or its  
494.7 designee. The board shall charge a fee for guest licensure under this subdivision.

494.8 ~~(b) The board shall charge a nonrefundable fee for guest licensure under this subdivision.~~

494.9 (c) A guest license issued under this subdivision shall be valid for one year from the  
494.10 date of issuance, or until the board has either issued a license or has denied the applicant's  
494.11 application for licensure, whichever is earlier. Guest licenses issued under this section  
494.12 subdivision may be renewed annually until the board has denied the applicant's application  
494.13 for licensure.

494.14 Sec. 46. Minnesota Statutes 2016, section 148.925, is amended to read:

494.15 **148.925 SUPERVISION.**

494.16 Subdivision 1. **Supervision.** For the purpose of meeting the requirements of ~~this section~~  
494.17 the Minnesota Psychology Practice Act, supervision means documented in-person  
494.18 ~~consultation, which may include interactive, visual electronic communication, between~~  
494.19 ~~either: (1) a primary supervisor and a licensed psychological practitioner; or (2) a that~~  
494.20 employs a collaborative relationship that has both facilitative and evaluative components  
494.21 with the goal of enhancing the professional competence and science, and practice-informed  
494.22 professional work of the supervisee. Supervision may include telesupervision between  
494.23 primary or designated supervisor supervisors and an applicant for licensure as a licensed  
494.24 psychologist the supervisee. The supervision shall be adequate to assure the quality and  
494.25 competence of the activities supervised. Supervisory consultation shall include discussions  
494.26 on the nature and content of the practice of the supervisee, including, but not limited to, a  
494.27 review of a representative sample of psychological services in the supervisee's practice.

494.28 Subd. 2. **Postdegree supervised psychological employment.** Postdegree supervised  
494.29 psychological employment means required paid or volunteer work experience and postdegree  
494.30 training of an individual seeking to be licensed as a licensed psychologist that involves the  
494.31 professional oversight by a primary supervisor and satisfies the supervision requirements  
494.32 in ~~subdivisions 3 and 5~~ the Minnesota Psychology Practice Act.

495.1 Subd. 3. **Individuals qualified to provide supervision.** ~~(a) Supervision of a master's~~  
495.2 ~~level applicant for licensure as a licensed psychologist shall be provided by an individual:~~

495.3 ~~(1) who is a psychologist licensed in Minnesota with competence both in supervision~~  
495.4 ~~in the practice of psychology and in the activities being supervised;~~

495.5 ~~(2) who has a doctoral degree with a major in psychology, who is employed by a~~  
495.6 ~~regionally accredited educational institution or employed by a federal, state, county, or local~~  
495.7 ~~government institution, agency, or research facility, and who has competence both in~~  
495.8 ~~supervision in the practice of psychology and in the activities being supervised, provided~~  
495.9 ~~the supervision is being provided and the activities being supervised occur within that~~  
495.10 ~~regionally accredited educational institution or federal, state, county, or local government~~  
495.11 ~~institution, agency, or research facility;~~

495.12 ~~(3) who is licensed or certified as a psychologist in another jurisdiction and who has~~  
495.13 ~~competence both in supervision in the practice of psychology and in the activities being~~  
495.14 ~~supervised; or~~

495.15 ~~(4) who, in the case of a designated supervisor, is a master's or doctorally prepared~~  
495.16 ~~mental health professional.~~

495.17 ~~(b) Supervision of a doctoral level~~ an applicant for licensure as a licensed psychologist  
495.18 shall be provided by an individual:

495.19 (1) who is a psychologist licensed in Minnesota with a doctoral degree and competence  
495.20 both in supervision in the practice of psychology and in the activities being supervised;

495.21 (2) who has a doctoral degree with a major in psychology, who is employed by a  
495.22 regionally accredited educational institution or is employed by a federal, state, county, or  
495.23 local government institution, agency, or research facility, and who has competence both in  
495.24 supervision in the practice of psychology and in the activities being supervised, provided  
495.25 the supervision is being provided and the activities being supervised occur within that  
495.26 regionally accredited educational institution or federal, state, county, or local government  
495.27 institution, agency, or research facility;

495.28 (3) who is licensed or certified as a psychologist in another jurisdiction and who has  
495.29 competence both in supervision in the practice of psychology and in the activities being  
495.30 supervised;

495.31 (4) who is a psychologist licensed in Minnesota who was licensed before August 1,  
495.32 1991, with competence both in supervision in the practice of psychology and in the activities  
495.33 being supervised; or



496.1 (5) who, in the case of a designated supervisor, is a master's or doctorally prepared  
496.2 mental health professional.

496.3 **Subd. 4. Supervisory consultation for a licensed psychological practitioner.**  
496.4 ~~Supervisory consultation between a supervising licensed psychologist and a supervised~~  
496.5 ~~licensed psychological practitioner shall be at least one hour in duration and shall occur on~~  
496.6 ~~an individual, in-person basis. A minimum of one hour of supervision per month is required~~  
496.7 ~~for the initial 20 or fewer hours of psychological services delivered per month. For each~~  
496.8 ~~additional 20 hours of psychological services delivered per month, an additional hour of~~  
496.9 ~~supervision per month is required. When more than 20 hours of psychological services are~~  
496.10 ~~provided in a week, no more than one hour of supervision is required per week.~~

496.11 **Subd. 5. Supervisory consultation for an applicant for licensure as a licensed**  
496.12 **psychologist.** Supervision of an applicant for licensure as a licensed psychologist shall  
496.13 include at least two hours of regularly scheduled in-person consultations per week for  
496.14 full-time employment, one hour of which shall be with the supervisor on an individual basis.  
496.15 The remaining hour may be with a designated supervisor. The board may approve an  
496.16 exception to the weekly supervision requirement for a week when the supervisor was ill or  
496.17 otherwise unable to provide supervision. The board may prorate the two hours per week of  
496.18 supervision for individuals preparing for licensure on a part-time basis. Supervised  
496.19 psychological employment does not qualify for licensure when the supervisory consultation  
496.20 is not adequate as described in subdivision 1, or in the board rules.

496.21 **Subd. 6. Supervisee duties.** Individuals Applicants preparing for licensure as a licensed  
496.22 psychologist during their postdegree supervised psychological employment may perform  
496.23 as part of their training any functions of the services specified in section 148.89, subdivision  
496.24 5, but only under qualified supervision.

496.25 **Subd. 7. Variance from supervision requirements.** ~~(a) An applicant for licensure as~~  
496.26 ~~a licensed psychologist who entered supervised employment before August 1, 1991, may~~  
496.27 ~~request a variance from the board from the supervision requirements in this section in order~~  
496.28 ~~to continue supervision under the board rules in effect before August 1, 1991.~~

496.29 ~~(b) After a licensed psychological practitioner has completed two full years, or the~~  
496.30 ~~equivalent, of supervised post-master's degree employment meeting the requirements of~~  
496.31 ~~subdivision 5 as it relates to preparation for licensure as a licensed psychologist, the board~~  
496.32 ~~shall grant a variance from the supervision requirements of subdivision 4 or 5 if the licensed~~  
496.33 ~~psychological practitioner presents evidence of:~~



497.1 (1) endorsement for specific areas of competency by the licensed psychologist who  
497.2 provided the two years of supervision;

497.3 (2) employment by a hospital or by a community mental health center or nonprofit mental  
497.4 health clinic or social service agency providing services as a part of the mental health service  
497.5 plan required by the Comprehensive Mental Health Act;

497.6 (3) the employer's acceptance of clinical responsibility for the care provided by the  
497.7 licensed psychological practitioner; and

497.8 (4) a plan for supervision that includes at least one hour of regularly scheduled individual  
497.9 in-person consultations per week for full-time employment. The board may approve an  
497.10 exception to the weekly supervision requirement for a week when the supervisor was ill or  
497.11 otherwise unable to provide supervision.

497.12 (e) Following the granting of a variance under paragraph (b), and completion of two  
497.13 additional full years or the equivalent of supervision and post-master's degree employment  
497.14 meeting the requirements of paragraph (b), the board shall grant a variance to a licensed  
497.15 psychological practitioner who presents evidence of:

497.16 (1) endorsement for specific areas of competency by the licensed psychologist who  
497.17 provided the two years of supervision under paragraph (b);

497.18 (2) employment by a hospital or by a community mental health center or nonprofit mental  
497.19 health clinic or social service agency providing services as a part of the mental health service  
497.20 plan required by the Comprehensive Mental Health Act;

497.21 (3) the employer's acceptance of clinical responsibility for the care provided by the  
497.22 licensed psychological practitioner; and

497.23 (4) a plan for supervision which includes at least one hour of regularly scheduled  
497.24 individual in-person supervision per month.

497.25 (d) The variance allowed under this section must be deemed to have been granted to an  
497.26 individual who previously received a variance under paragraph (b) or (c) and is seeking a  
497.27 new variance because of a change of employment to a different employer or employment  
497.28 setting. The deemed variance continues until the board either grants or denies the variance.  
497.29 An individual who has been denied a variance under this section is entitled to seek  
497.30 reconsideration by the board.

498.1 Sec. 47. Minnesota Statutes 2016, section 148.96, subdivision 3, is amended to read:

498.2 Subd. 3. **Requirements for representations to public.** (a) Unless licensed under sections  
498.3 148.88 to 148.98, except as provided in paragraphs (b) through (e), persons shall not represent  
498.4 themselves or permit themselves to be represented to the public by:

498.5 (1) using any title or description of services incorporating the words "psychology,"  
498.6 "psychological," "psychological practitioner," or "psychologist"; or

498.7 (2) representing that the person has expert qualifications in an area of psychology.

498.8 (b) Psychologically trained individuals who are employed by an educational institution  
498.9 recognized by a regional accrediting organization, by a federal, state, county, or local  
498.10 government institution, agency, or research facility, may represent themselves by the title  
498.11 designated by that organization provided that the title does not indicate that the individual  
498.12 is credentialed by the board.

498.13 (c) A psychologically trained individual from an institution described in paragraph (b)  
498.14 may offer lecture services and is exempt from the provisions of this section.

498.15 (d) A person who is preparing for the practice of psychology under supervision in  
498.16 accordance with board statutes and rules may be designated as a "psychological intern,"  
498.17 "psychology fellow," "psychological trainee," or by other terms clearly describing the  
498.18 person's training status.

498.19 (e) Former licensees who are completely retired from the practice of psychology may  
498.20 represent themselves using the descriptions in paragraph (a), clauses (1) and (2), but shall  
498.21 not represent themselves or allow themselves to be represented as current licensees of the  
498.22 board.

498.23 ~~(f) Nothing in this section shall be construed to prohibit the practice of school psychology~~  
498.24 ~~by a person licensed in accordance with chapters 122A and 129.~~

498.25 Sec. 48. Minnesota Statutes 2016, section 148B.53, subdivision 1, is amended to read:

498.26 Subdivision 1. **General requirements.** (a) To be licensed as a licensed professional  
498.27 counselor (LPC), an applicant must provide evidence satisfactory to the board that the  
498.28 applicant:

498.29 (1) is at least 18 years of age;

498.30 (2) is of good moral character;

499.1 (3) has completed a master's or doctoral degree program in counseling or a related field,  
499.2 as determined by the board based on the criteria in paragraph (b), that includes a minimum  
499.3 of 48 semester hours or 72 quarter hours and a supervised field experience of not fewer than  
499.4 700 hours that is counseling in nature;

499.5 (4) has submitted to the board a plan for supervision during the first 2,000 hours of  
499.6 professional practice or has submitted proof of supervised professional practice that is  
499.7 acceptable to the board; and

499.8 (5) has demonstrated competence in professional counseling by passing the National  
499.9 Counseling Exam (NCE) administered by the National Board for Certified Counselors, Inc.  
499.10 (NBCC) or an equivalent national examination as determined by the board, and ethical,  
499.11 oral, and situational examinations if prescribed by the board.

499.12 (b) The degree described in paragraph (a), clause (3), must be from a counseling program  
499.13 recognized by the Council for Accreditation of Counseling and Related Education Programs  
499.14 (CACREP) or from an institution of higher education that is accredited by a regional  
499.15 accrediting organization recognized by the Council for Higher Education Accreditation  
499.16 (CHEA). Specific academic course content and training must include course work in each  
499.17 of the following subject areas:

499.18 (1) the helping relationship, including counseling theory and practice;

499.19 (2) human growth and development;

499.20 (3) lifestyle and career development;

499.21 (4) group dynamics, processes, counseling, and consulting;

499.22 (5) assessment and appraisal;

499.23 (6) social and cultural foundations, including multicultural issues;

499.24 (7) principles of etiology, treatment planning, and prevention of mental and emotional  
499.25 disorders and dysfunctional behavior;

499.26 (8) family counseling and therapy;

499.27 (9) research and evaluation; and

499.28 (10) professional counseling orientation and ethics.

499.29 ~~(e) To be licensed as a professional counselor, a psychological practitioner licensed~~  
499.30 ~~under section 148.908 need only show evidence of licensure under that section and is not~~  
499.31 ~~required to comply with paragraph (a), clauses (1) to (3) and (5), or paragraph (b).~~



500.1        ~~(d)~~ (c) To be licensed as a professional counselor, a Minnesota licensed psychologist  
500.2        need only show evidence of licensure from the Minnesota Board of Psychology and is not  
500.3        required to comply with paragraph (a) or (b).

500.4        Sec. 49. Minnesota Statutes 2016, section 150A.06, subdivision 3, is amended to read:

500.5        Subd. 3. **Waiver of examination.** (a) All or any part of the examination for dentists ~~or,~~  
500.6        dental therapists, dental hygienists, or dental assistants, except that pertaining to the law of  
500.7        Minnesota relating to dentistry and the rules of the board, may, at the discretion of the board,  
500.8        be waived for an applicant who presents a certificate of having passed all components of  
500.9        the National Board Dental Examinations or evidence of having maintained an adequate  
500.10        scholastic standing as determined by the board, ~~in dental school as to dentists, or dental~~  
500.11        ~~hygiene school as to dental hygienists.~~

500.12        (b) The board shall waive the clinical examination required for licensure for any dentist  
500.13        applicant who is a graduate of a dental school accredited by the Commission on Dental  
500.14        Accreditation, who has passed all components of the National Board Dental Examinations,  
500.15        and who has satisfactorily completed a Minnesota-based postdoctoral general dentistry  
500.16        residency program (GPR) or an advanced education in general dentistry (AEGD) program  
500.17        after January 1, 2004. The postdoctoral program must be accredited by the Commission on  
500.18        Dental Accreditation, be of at least one year's duration, and include an outcome assessment  
500.19        evaluation assessing the resident's competence to practice dentistry. The board may require  
500.20        the applicant to submit any information deemed necessary by the board to determine whether  
500.21        the waiver is applicable.

500.22        Sec. 50. Minnesota Statutes 2016, section 150A.06, subdivision 8, is amended to read:

500.23        Subd. 8. **Licensure by credentials.** (a) Any dental assistant may, upon application and  
500.24        payment of a fee established by the board, apply for licensure based on an evaluation of the  
500.25        applicant's education, experience, and performance record in lieu of completing a  
500.26        board-approved dental assisting program for expanded functions as defined in rule, and  
500.27        may be interviewed by the board to determine if the applicant:

500.28        (1) has graduated from an accredited dental assisting program accredited by the  
500.29        Commission on Dental Accreditation, ~~or~~ and is currently certified by the Dental Assisting  
500.30        National Board;

500.31        (2) is not subject to any pending or final disciplinary action in another state or Canadian  
500.32        province, or if not currently certified or registered, previously had a certification or

501.1 registration in another state or Canadian province in good standing that was not subject to  
501.2 any final or pending disciplinary action at the time of surrender;

501.3 (3) is of good moral character and abides by professional ethical conduct requirements;

501.4 (4) at board discretion, has passed a board-approved English proficiency test if English  
501.5 is not the applicant's primary language; and

501.6 (5) has met all expanded functions curriculum equivalency requirements of a Minnesota  
501.7 board-approved dental assisting program.

501.8 (b) The board, at its discretion, may waive specific licensure requirements in paragraph  
501.9 (a).

501.10 (c) An applicant who fulfills the conditions of this subdivision and demonstrates the  
501.11 minimum knowledge in dental subjects required for licensure under subdivision 2a must  
501.12 be licensed to practice the applicant's profession.

501.13 (d) If the applicant does not demonstrate the minimum knowledge in dental subjects  
501.14 required for licensure under subdivision 2a, the application must be denied. If licensure is  
501.15 denied, the board may notify the applicant of any specific remedy that the applicant could  
501.16 take which, when passed, would qualify the applicant for licensure. A denial does not  
501.17 prohibit the applicant from applying for licensure under subdivision 2a.

501.18 (e) A candidate whose application has been denied may appeal the decision to the board  
501.19 according to subdivision 4a.

501.20 Sec. 51. Minnesota Statutes 2016, section 150A.10, subdivision 4, is amended to read:

501.21 Subd. 4. **Restorative procedures.** (a) Notwithstanding subdivisions 1, 1a, and 2, a  
501.22 licensed dental hygienist or licensed dental assistant may perform the following restorative  
501.23 procedures:

501.24 (1) place, contour, and adjust amalgam restorations;

501.25 (2) place, contour, and adjust glass ionomer;

501.26 (3) adapt and cement stainless steel crowns; and

501.27 ~~(4) place, contour, and adjust class I and class V supragingival composite restorations~~  
501.28 ~~where the margins are entirely within the enamel; and~~

501.29 ~~(5)~~ (4) place, contour, and adjust class I, II, and class V supragingival composite  
501.30 restorations on primary teeth and permanent dentition.

501.31 (b) The restorative procedures described in paragraph (a) may be performed only if:



- 502.1 (1) the licensed dental hygienist or licensed dental assistant has completed a  
502.2 board-approved course on the specific procedures;
- 502.3 (2) the board-approved course includes a component that sufficiently prepares the licensed  
502.4 dental hygienist or licensed dental assistant to adjust the occlusion on the newly placed  
502.5 restoration;
- 502.6 (3) a licensed dentist or licensed advanced dental therapist has authorized the procedure  
502.7 to be performed; and
- 502.8 (4) a licensed dentist or licensed advanced dental therapist is available in the clinic while  
502.9 the procedure is being performed.
- 502.10 (c) The dental faculty who teaches the educators of the board-approved courses specified  
502.11 in paragraph (b) must have prior experience teaching these procedures in an accredited  
502.12 dental education program.
- 502.13 Sec. 52. Minnesota Statutes 2016, section 214.01, subdivision 2, is amended to read:
- 502.14 Subd. 2. **Health-related licensing board.** "Health-related licensing board" means the  
502.15 Board of Examiners of Nursing Home Administrators established pursuant to section  
502.16 144A.19, the Office of Unlicensed Complementary and Alternative Health Care Practice  
502.17 established pursuant to section 146A.02, the Board of Medical Practice created pursuant to  
502.18 section 147.01, the Board of Nursing created pursuant to section 148.181, the Board of  
502.19 Chiropractic Examiners established pursuant to section 148.02, the Board of Optometry  
502.20 established pursuant to section 148.52, the Board of Occupational Therapy Practice  
502.21 established pursuant to section 148.6449, the Board of Physical Therapy established pursuant  
502.22 to section 148.67, the Board of Psychology established pursuant to section 148.90, the Board  
502.23 of Social Work pursuant to section 148E.025, the Board of Marriage and Family Therapy  
502.24 pursuant to section 148B.30, the Board of Behavioral Health and Therapy established by  
502.25 section 148B.51, the Board of Dietetics and Nutrition Practice established under section  
502.26 148.622, the Board of Dentistry established pursuant to section 150A.02, the Board of  
502.27 Pharmacy established pursuant to section 151.02, the Board of Podiatric Medicine established  
502.28 pursuant to section 153.02, and the Board of Veterinary Medicine established pursuant to  
502.29 section 156.01.
- 502.30 **EFFECTIVE DATE.** This section is effective January 1, 2018.

503.1 Sec. 53. BOARD OF OCCUPATIONAL THERAPY PRACTICE.

503.2 The governor shall appoint all members to the Board of Occupational Therapy Practice  
503.3 under Minnesota Statutes, section 148.6449, by October 1, 2017. The governor shall designate  
503.4 one member of the board to convene the first meeting of the board by November 1, 2017.  
503.5 The board shall elect officers at its first meeting.

503.6 EFFECTIVE DATE. This section is effective July 1, 2017.

503.7 Sec. 54. REVISOR'S INSTRUCTION.

503.8 In Minnesota Statutes and Minnesota Rules, the revisor of statutes shall replace references  
503.9 to Minnesota Statutes, section 148.6450, with Minnesota Statutes, section 148.6449.

503.10 EFFECTIVE DATE. This section is effective January 1, 2018.

503.11 Sec. 55. REVISOR'S INSTRUCTION.

503.12 The revisor of statutes shall change the headnote of Minnesota Statutes, section 147.0375,  
503.13 to read "LICENSURE OF EMINENT PHYSICIANS."

503.14 EFFECTIVE DATE. This section is effective the day following final enactment.

503.15 Sec. 56. REPEALER.

503.16 (a) Minnesota Statutes 2016, sections 147A.21; 147B.08, subdivisions 1, 2, and 3;  
503.17 147C.40, subdivisions 1, 2, 3, and 4; 148.906; 148.907, subdivision 5; 148.908; 148.909,  
503.18 subdivision 7; and 148.96, subdivisions 4 and 5, are repealed.

503.19 (b) Minnesota Statutes 2016, sections 148.6402, subdivision 2; and 148.6450, are  
503.20 repealed.

503.21 (c) Minnesota Rules, part 5600.2500, is repealed.

503.22 EFFECTIVE DATE. Paragraphs (a) and (c) are effective July 1, 2017. Paragraph (b)  
503.23 is effective January 1, 2018.

503.24 **ARTICLE 12**

503.25 **OPIATE ABUSE PREVENTION**

503.26 Section 1. Minnesota Statutes 2016, section 151.212, subdivision 2, is amended to read:

503.27 Subd. 2. **Controlled substances.** (a) In addition to the requirements of subdivision 1,  
503.28 when the use of any drug containing a controlled substance, as defined in chapter 152, or  
503.29 any other drug determined by the board, either alone or in conjunction with alcoholic



504.1 beverages, may impair the ability of the user to operate a motor vehicle, the board shall  
504.2 require by rule that notice be prominently set forth on the label or container. Rules  
504.3 promulgated by the board shall specify exemptions from this requirement when there is  
504.4 evidence that the user will not operate a motor vehicle while using the drug.

504.5 (b) In addition to the requirements of subdivision 1, whenever a prescription drug  
504.6 containing an opiate is dispensed to a patient for outpatient use, the pharmacy or practitioner  
504.7 dispensing the drug must prominently display on the label or container a notice that states  
504.8 "Caution: Opioid. Risk of overdose and addiction."

504.9 Sec. 2. Minnesota Statutes 2016, section 152.11, is amended by adding a subdivision to  
504.10 read:

504.11 Subd. 4. **Limit on quantity of opiates prescribed for acute dental and ophthalmic**  
504.12 **pain.** (a) When used for the treatment of acute dental pain or acute pain associated with  
504.13 refractive surgery, prescriptions for opiate or narcotic pain relievers listed in Schedules II  
504.14 through IV of section 152.02 shall not exceed a four-day supply. The quantity prescribed  
504.15 shall be consistent with the dosage listed in the professional labeling for the drug that has  
504.16 been approved by the United States Food and Drug Administration.

504.17 (b) For the purposes of this subdivision, "acute pain" means pain resulting from disease,  
504.18 accidental or intentional trauma, surgery, or another cause, that the practitioner reasonably  
504.19 expects to last only a short period of time. Acute pain does not include chronic pain or pain  
504.20 being treated as part of cancer care, palliative care, or hospice or other end-of-life care.

504.21 (c) Notwithstanding paragraph (a), if in the professional clinical judgment of a practitioner  
504.22 more than a four-day supply of a prescription listed in Schedules II through IV of section  
504.23 152.02 is required to treat a patient's acute pain, the practitioner may issue a prescription  
504.24 for the quantity needed to treat such acute pain.

504.25 Sec. 3. **CHRONIC PAIN REHABILITATION THERAPY DEMONSTRATION**  
504.26 **PROJECT.**

504.27 Subdivision 1. **Establishment.** The commissioner of human services shall award a  
504.28 two-year grant to a rehabilitation institute located in Minneapolis operated by a nonprofit  
504.29 foundation to participate in a bundled payment arrangement for chronic pain rehabilitation  
504.30 therapy for adults who are eligible for fee-for-service medical assistance under Minnesota  
504.31 Statutes, section 256B.055. The chronic pain rehabilitation therapy demonstration project  
504.32 must include: nonnarcotic medication management, including opioid tapering;  
504.33 interdisciplinary care coordination; and group and individual therapy in cognitive behavioral

505.1 therapy and physical therapy. The project may include self-management education in  
505.2 nutrition, stress, mental health, substance use, or other modalities, if clinically appropriate.  
505.3 The commissioner shall award the grant on a sole-source basis and the program design must  
505.4 be mutually agreed upon by the commissioner and the grant recipient. Grant funds are  
505.5 available until expended.

505.6 Subd. 2. **Performance measures.** The commissioner shall develop performance measures  
505.7 to evaluate the demonstration project. These measures may include:

- 505.8 (1) reduction in medications, including opioids, taken for pain;  
505.9 (2) reduction in emergency department and outpatient clinic utilization related to pain;  
505.10 (3) improved ability to return to work, job search, or school;  
505.11 (4) patient functional status and satisfaction; and  
505.12 (5) rate of program completion.

505.13 Subd. 3. **Eligibility.** (a) To be eligible to participate in the demonstration project, an  
505.14 individual must:

- 505.15 (1) be 21 years of age or older;  
505.16 (2) be eligible for fee-for-service medical assistance under Minnesota Statutes, section  
505.17 256B.055, and not have other health coverage; and  
505.18 (3) meet criteria appropriate for chronic pain rehabilitation.

505.19 (b) In determining the criteria under paragraph (a), clause (3), the commissioner shall  
505.20 consider, but is not required to include, the following:

- 505.21 (1) moderate to severe pain lasting longer than four months;  
505.22 (2) an impairment in daily functioning, including work or activities of daily living;  
505.23 (3) a referral from a physician or other qualified medical professional indicating that all  
505.24 reasonable medical and surgical options have been exhausted; and  
505.25 (4) willingness of the patient to engage in chronic pain rehabilitation therapies, including  
505.26 opioid tapering.

505.27 Subd. 4. **Payment for services.** The bundled payment shall be billed on a per-person,  
505.28 per-day payment and only for days the patient receives services from the grant recipient.  
505.29 The grant recipient shall not receive a bundled payment for services provided to the patient  
505.30 if a nonbundled medical assistance payment for a service that is part of the bundle is received  
505.31 for the same day of service.



506.1        Subd. 5. **Report.** The rehabilitation institute, for the duration of the demonstration  
506.2 project, must annually report on cost savings and performance indicators described in  
506.3 subdivision 2 to the commissioner of human services. One year after the completion of the  
506.4 demonstration project, the commissioner of human services shall submit a report to the  
506.5 chairs and ranking minority members of the legislative committees with jurisdiction over  
506.6 health care. The report shall include an evaluation of the demonstration project, based on  
506.7 the performance measures developed under subdivision 2, and may also include  
506.8 recommendations to increase individual access to chronic pain rehabilitation therapy through  
506.9 Minnesota health care programs.

506.10     Sec. 4. SUBSTANCE USE DISORDER PROVIDER CAPACITY GRANT  
506.11     PROGRAM.

506.12     The commissioner of human services shall design and implement a grant program to  
506.13     assist providers to purchase the first dose of a nonnarcotic injectable or implantable  
506.14     medication to treat substance use disorder for medical assistance enrollees. Grants shall be  
506.15     distributed between July 1, 2017, and June 30, 2019. The commissioner shall conduct  
506.16     outreach to providers regarding the availability of this grant and ensure a simplified grant  
506.17     application process. The commissioner shall provide technical assistance to assist providers  
506.18     in building operational capacity to treat substance use disorders with nonnarcotic injectable  
506.19     or implantable medications. The commissioner, in collaboration with stakeholders, shall  
506.20     analyze the impact of the grant program under this section and the actual or perceived  
506.21     barriers for providers to access and be reimbursed for nonnarcotic injectable or implantable  
506.22     substance use disorder medications and develop recommendations for addressing identified  
506.23     barriers. The commissioner shall provide a report to the chairs and ranking minority members  
506.24     of the legislative committees with jurisdiction over health and human services policy and  
506.25     finance by September 1, 2019.

## ARTICLE 13

## MISCELLANEOUS

506.28 Section 1. Minnesota Statutes 2016, section 62K.15, is amended to read:

506.29 **62K.15 ANNUAL OPEN ENROLLMENT PERIODS; SPECIAL ENROLLMENT**  
506.30 **PERIODS.**

506.31 (a) Health carriers offering individual health plans must limit annual enrollment in the  
506.32 individual market to the annual open enrollment periods for MNsure. Nothing in this section

507.1 limits the application of special or limited open enrollment periods as defined under the  
507.2 Affordable Care Act.

507.3 (b) Health carriers offering individual health plans must inform all applicants at the time  
507.4 of application and enrollees at least annually of the open and special enrollment periods as  
507.5 defined under the Affordable Care Act.

507.6 (c) Health carriers offering individual health plans must provide a special enrollment  
507.7 period for enrollment in the individual market by employees of a small employer that offers  
507.8 a qualified small employer health reimbursement arrangement in accordance with United  
507.9 States Code, title 26, section 9831(d). The special enrollment period shall be available only  
507.10 to employees newly hired by a small employer offering a qualified small employer health  
507.11 reimbursement arrangement, and to employees employed by the small employer at the time  
507.12 the small employer initially offers a qualified small employer health reimbursement  
507.13 arrangement. For employees newly hired by the small employer, the special enrollment  
507.14 period shall last for 30 days after the employee's first day of employment. For employees  
507.15 employed by the small employer at the time the small employer initially offers a qualified  
507.16 small employer health reimbursement arrangement, the special enrollment period shall last  
507.17 for 30 days after the date the arrangement is initially offered to employees.

507.18 (e) (d) The commissioner of commerce shall enforce this section.

507.19 Sec. 2. Minnesota Statutes 2016, section 245A.02, subdivision 5a, is amended to read:

507.20 Subd. 5a. **Controlling individual.** (a) "Controlling individual" means a public body,  
507.21 governmental agency, business entity, officer, owner, or managerial official whose  
507.22 responsibilities include the direction of the management or policies of a program. For  
507.23 purposes of this subdivision, owner means an individual who has direct or indirect ownership  
507.24 interest in a corporation, partnership, or other business association issued a license under  
507.25 this chapter. For purposes of this subdivision, managerial official means those individuals  
507.26 who have the decision-making authority related to the operation of the program, and the  
507.27 responsibility for the ongoing management of or direction of the policies, services, or  
507.28 employees of the program. A site director who has no ownership interest in the program is  
507.29 not considered to be a managerial official for purposes of this definition. Controlling  
507.30 individual does not include an owner of a program or service provider licensed under this  
507.31 chapter and the following individuals, if applicable:

507.32 (1) each officer of the organization, including the chief executive officer and chief  
507.33 financial officer;



508.1 (2) the individual designated as the authorized agent under section 245A.04, subdivision  
508.2 1, paragraph (b);

508.3 (3) the individual designated as the compliance officer under section 256B.04, subdivision  
508.4 21, paragraph (b); and

508.5 (4) each managerial official whose responsibilities include the direction of the  
508.6 management or policies of a program.

508.7 (b) Controlling individual does not include:

508.8 (1) a bank, savings bank, trust company, savings association, credit union, industrial  
508.9 loan and thrift company, investment banking firm, or insurance company unless the entity  
508.10 operates a program directly or through a subsidiary;

508.11 (2) an individual who is a state or federal official, or state or federal employee, or a  
508.12 member or employee of the governing body of a political subdivision of the state or federal  
508.13 government that operates one or more programs, unless the individual is also an officer,  
508.14 owner, or managerial official of the program, receives remuneration from the program, or  
508.15 owns any of the beneficial interests not excluded in this subdivision;

508.16 (3) an individual who owns less than five percent of the outstanding common shares of  
508.17 a corporation:

508.18 (i) whose securities are exempt under section 80A.45, clause (6); or

508.19 (ii) whose transactions are exempt under section 80A.46, clause (2); or

508.20 (4) an individual who is a member of an organization exempt from taxation under section  
508.21 290.05, unless the individual is also an officer, owner, or managerial official of the program  
508.22 or owns any of the beneficial interests not excluded in this subdivision. This clause does  
508.23 not exclude from the definition of controlling individual an organization that is exempt from  
508.24 taxation; or

508.25 (5) an employee stock ownership plan trust, or a participant or board member of an  
508.26 employee stock ownership plan, unless the participant or board member is a controlling  
508.27 individual according to paragraph (a).

508.28 (c) For purposes of this subdivision, "managerial official" means an individual who has  
508.29 the decision-making authority related to the operation of the program, and the responsibility  
508.30 for the ongoing management of or direction of the policies, services, or employees of the  
508.31 program. A site director who has no ownership interest in the program is not considered to  
508.32 be a managerial official for purposes of this definition.

509.1 Sec. 3. Minnesota Statutes 2016, section 245A.02, is amended by adding a subdivision to  
509.2 read:

509.3 Subd. 10b. **Owner.** "Owner" means an individual or organization that has a direct or  
509.4 indirect ownership interest of five percent or more in a program licensed under this chapter.  
509.5 For purposes of this subdivision, "direct ownership interest" means the possession of equity  
509.6 in capital, stock, or profits of an organization, and "indirect ownership interest" means a  
509.7 direct ownership interest in an entity that has a direct or indirect ownership interest in a  
509.8 licensed program. For purposes of this chapter, "owner of a nonprofit corporation" means  
509.9 the president and treasurer of the board of directors or, for an entity owned by an employee  
509.10 stock ownership plan, means the president and treasurer of the entity. A government entity  
509.11 that is issued a license under this chapter shall be designated the owner.

509.12 **ARTICLE 14**

509.13 **NURSING FACILITY TECHNICAL CORRECTIONS**

509.14 Section 1. Minnesota Statutes 2016, section 144.0722, subdivision 1, as amended by Laws  
509.15 2017, chapter 40, article 1, section 18, is amended to read:

509.16 Subdivision 1. **Resident reimbursement classifications.** The commissioner of health  
509.17 shall establish resident reimbursement classifications based upon the assessments of residents  
509.18 of nursing homes and boarding care homes conducted under section 144.0721, or under  
509.19 rules established by the commissioner of human services under sections ~~256B.421 to 256B.48~~  
509.20 chapter 256R. The reimbursement classifications established by the commissioner must  
509.21 conform to the rules established by the commissioner of human services.

509.22 Sec. 2. Minnesota Statutes 2016, section 144A.071, subdivision 3, as amended by Laws  
509.23 2017, chapter 40, article 1, section 22, is amended to read:

509.24 Subd. 3. **Exceptions authorizing increase in beds; hardship areas.** (a) The  
509.25 commissioner of health, in coordination with the commissioner of human services, may  
509.26 approve the addition of new licensed and Medicare and Medicaid certified nursing home  
509.27 beds, using the criteria and process set forth in this subdivision.

509.28 (b) The commissioner, in cooperation with the commissioner of human services, shall  
509.29 consider the following criteria when determining that an area of the state is a hardship area  
509.30 with regard to access to nursing facility services:

509.31 (1) a low number of beds per thousand in a specified area using as a standard the beds  
509.32 per thousand people age 65 and older, in five year age groups, using data from the most



510.1 recent census and population projections, weighted by each group's most recent nursing  
510.2 home utilization, of the county at the 20th percentile, as determined by the commissioner  
510.3 of human services;

510.4 (2) a high level of out-migration for nursing facility services associated with a described  
510.5 area from the county or counties of residence to other Minnesota counties, as determined  
510.6 by the commissioner of human services, using as a standard an amount greater than the  
510.7 out-migration of the county ranked at the 50th percentile;

510.8 (3) an adequate level of availability of noninstitutional long-term care services measured  
510.9 as public spending for home and community-based long-term care services per individual  
510.10 age 65 and older, in five year age groups, using data from the most recent census and  
510.11 population projections, weighted by each group's most recent nursing home utilization, as  
510.12 determined by the commissioner of human services using as a standard an amount greater  
510.13 than the 50th percentile of counties;

510.14 (4) there must be a declaration of hardship resulting from insufficient access to nursing  
510.15 home beds by local county agencies and area agencies on aging; and

510.16 (5) other factors that may demonstrate the need to add new nursing facility beds.

510.17 (c) On August 15 of odd-numbered years, the commissioner, in cooperation with the  
510.18 commissioner of human services, may publish in the State Register a request for information  
510.19 in which interested parties, using the data provided under section 144A.351, along with any  
510.20 other relevant data, demonstrate that a specified area is a hardship area with regard to access  
510.21 to nursing facility services. For a response to be considered, the commissioner must receive  
510.22 it by November 15. The commissioner shall make responses to the request for information  
510.23 available to the public and shall allow 30 days for comment. The commissioner shall review  
510.24 responses and comments and determine if any areas of the state are to be declared hardship  
510.25 areas.

510.26 (d) For each designated hardship area determined in paragraph (c), the commissioner  
510.27 shall publish a request for proposals in accordance with section 144A.073 and Minnesota  
510.28 Rules, parts 4655.1070 to 4655.1098. The request for proposals must be published in the  
510.29 State Register by March 15 following receipt of responses to the request for information.  
510.30 The request for proposals must specify the number of new beds which may be added in the  
510.31 designated hardship area, which must not exceed the number which, if added to the existing  
510.32 number of beds in the area, including beds in layaway status, would have prevented it from  
510.33 being determined to be a hardship area under paragraph (b), clause (1). Beginning July 1,  
510.34 2011, the number of new beds approved must not exceed 200 beds statewide per biennium.

511.1 After June 30, 2019, the number of new beds that may be approved in a biennium must not  
511.2 exceed 300 statewide. For a proposal to be considered, the commissioner must receive it  
511.3 within six months of the publication of the request for proposals. The commissioner shall  
511.4 review responses to the request for proposals and shall approve or disapprove each proposal  
511.5 by the following July 15, in accordance with section 144A.073 and Minnesota Rules, parts  
511.6 4655.1070 to 4655.1098. The commissioner shall base approvals or disapprovals on a  
511.7 comparison and ranking of proposals using only the criteria in subdivision 4a. Approval of  
511.8 a proposal expires after 18 months unless the facility has added the new beds using existing  
511.9 space, subject to approval by the commissioner, or has commenced construction as defined  
511.10 in section 144A.071, subdivision 1a, paragraph (d). If, after the approved beds have been  
511.11 added, fewer than 50 percent of the beds in a facility are newly licensed, the operating  
511.12 payment rates previously in effect shall remain. If, after the approved beds have been added,  
511.13 50 percent or more of the beds in a facility are newly licensed, operating payment rates shall  
511.14 be determined according to Minnesota Rules, part 9549.0057, using the limits under chapter  
511.15 ~~256R~~ sections 256R.23, subdivision 5, and 256R.24, subdivision 3. External fixed costs  
511.16 payment rates must be determined according to ~~chapter 256R~~ section 256R.25. Property  
511.17 payment rates for facilities with beds added under this subdivision must be determined in  
511.18 the same manner as rate determinations resulting from projects approved and completed  
511.19 under section 144A.073.

511.20 (e) The commissioner may:

511.21 (1) certify or license new beds in a new facility that is to be operated by the commissioner  
511.22 of veterans affairs or when the costs of constructing and operating the new beds are to be  
511.23 reimbursed by the commissioner of veterans affairs or the United States Veterans  
511.24 Administration; and

511.25 (2) license or certify beds in a facility that has been involuntarily delicensed or decertified  
511.26 for participation in the medical assistance program, provided that an application for  
511.27 relicensure or recertification is submitted to the commissioner by an organization that is  
511.28 not a related organization as defined in section 256R.02, subdivision 43, to the prior licensee  
511.29 within 120 days after delicensure or decertification.

511.30 Sec. 3. Minnesota Statutes 2016, section 144A.071, subdivision 4a, as amended by Laws  
511.31 2017, chapter 40, article 1, section 23, is amended to read:

511.32 Subd. 4a. **Exceptions for replacement beds.** It is in the best interest of the state to  
511.33 ensure that nursing homes and boarding care homes continue to meet the physical plant  
511.34 licensing and certification requirements by permitting certain construction projects. Facilities



512.1 should be maintained in condition to satisfy the physical and emotional needs of residents  
512.2 while allowing the state to maintain control over nursing home expenditure growth.

512.3 The commissioner of health in coordination with the commissioner of human services,  
512.4 may approve the renovation, replacement, upgrading, or relocation of a nursing home or  
512.5 boarding care home, under the following conditions:

512.6 (a) to license or certify beds in a new facility constructed to replace a facility or to make  
512.7 repairs in an existing facility that was destroyed or damaged after June 30, 1987, by fire,  
512.8 lightning, or other hazard provided:

512.9 (i) destruction was not caused by the intentional act of or at the direction of a controlling  
512.10 person of the facility;

512.11 (ii) at the time the facility was destroyed or damaged the controlling persons of the  
512.12 facility maintained insurance coverage for the type of hazard that occurred in an amount  
512.13 that a reasonable person would conclude was adequate;

512.14 (iii) the net proceeds from an insurance settlement for the damages caused by the hazard  
512.15 are applied to the cost of the new facility or repairs;

512.16 (iv) the number of licensed and certified beds in the new facility does not exceed the  
512.17 number of licensed and certified beds in the destroyed facility; and

512.18 (v) the commissioner determines that the replacement beds are needed to prevent an  
512.19 inadequate supply of beds.

512.20 Project construction costs incurred for repairs authorized under this clause shall not be  
512.21 considered in the dollar threshold amount defined in subdivision 2;

512.22 (b) to license or certify beds that are moved from one location to another within a nursing  
512.23 home facility, provided the total costs of remodeling performed in conjunction with the  
512.24 relocation of beds does not exceed \$1,000,000;

512.25 (c) to license or certify beds in a project recommended for approval under section  
512.26 144A.073;

512.27 (d) to license or certify beds that are moved from an existing state nursing home to a  
512.28 different state facility, provided there is no net increase in the number of state nursing home  
512.29 beds;

512.30 (e) to certify and license as nursing home beds boarding care beds in a certified boarding  
512.31 care facility if the beds meet the standards for nursing home licensure, or in a facility that  
512.32 was granted an exception to the moratorium under section 144A.073, and if the cost of any

513.1 remodeling of the facility does not exceed \$1,000,000. If boarding care beds are licensed  
513.2 as nursing home beds, the number of boarding care beds in the facility must not increase  
513.3 beyond the number remaining at the time of the upgrade in licensure. The provisions  
513.4 contained in section 144A.073 regarding the upgrading of the facilities do not apply to  
513.5 facilities that satisfy these requirements;

513.6 (f) to license and certify up to 40 beds transferred from an existing facility owned and  
513.7 operated by the Amherst H. Wilder Foundation in the city of St. Paul to a new unit at the  
513.8 same location as the existing facility that will serve persons with Alzheimer's disease and  
513.9 other related disorders. The transfer of beds may occur gradually or in stages, provided the  
513.10 total number of beds transferred does not exceed 40. At the time of licensure and certification  
513.11 of a bed or beds in the new unit, the commissioner of health shall delicense and decertify  
513.12 the same number of beds in the existing facility. As a condition of receiving a license or  
513.13 certification under this clause, the facility must make a written commitment to the  
513.14 commissioner of human services that it will not seek to receive an increase in its  
513.15 property-related payment rate as a result of the transfers allowed under this paragraph;

513.16 (g) to license and certify nursing home beds to replace currently licensed and certified  
513.17 boarding care beds which may be located either in a remodeled or renovated boarding care  
513.18 or nursing home facility or in a remodeled, renovated, newly constructed, or replacement  
513.19 nursing home facility within the identifiable complex of health care facilities in which the  
513.20 currently licensed boarding care beds are presently located, provided that the number of  
513.21 boarding care beds in the facility or complex are decreased by the number to be licensed as  
513.22 nursing home beds and further provided that, if the total costs of new construction,  
513.23 replacement, remodeling, or renovation exceed ten percent of the appraised value of the  
513.24 facility or \$200,000, whichever is less, the facility makes a written commitment to the  
513.25 commissioner of human services that it will not seek to receive an increase in its  
513.26 property-related payment rate by reason of the new construction, replacement, remodeling,  
513.27 or renovation. The provisions contained in section 144A.073 regarding the upgrading of  
513.28 facilities do not apply to facilities that satisfy these requirements;

513.29 (h) to license as a nursing home and certify as a nursing facility a facility that is licensed  
513.30 as a boarding care facility but not certified under the medical assistance program, but only  
513.31 if the commissioner of human services certifies to the commissioner of health that licensing  
513.32 the facility as a nursing home and certifying the facility as a nursing facility will result in  
513.33 a net annual savings to the state general fund of \$200,000 or more;

513.34 (i) to certify, after September 30, 1992, and prior to July 1, 1993, existing nursing home  
513.35 beds in a facility that was licensed and in operation prior to January 1, 1992;



514.1 (j) to license and certify new nursing home beds to replace beds in a facility acquired  
514.2 by the Minneapolis Community Development Agency as part of redevelopment activities  
514.3 in a city of the first class, provided the new facility is located within three miles of the site  
514.4 of the old facility. Operating and property costs for the new facility must be determined and  
514.5 allowed under section 256B.431 or 256B.434 or chapter 256R;

514.6 (k) to license and certify up to 20 new nursing home beds in a community-operated  
514.7 hospital and attached convalescent and nursing care facility with 40 beds on April 21, 1991,  
514.8 that suspended operation of the hospital in April 1986. The commissioner of human services  
514.9 shall provide the facility with the same per diem property-related payment rate for each  
514.10 additional licensed and certified bed as it will receive for its existing 40 beds;

514.11 (l) to license or certify beds in renovation, replacement, or upgrading projects as defined  
514.12 in section 144A.073, subdivision 1, so long as the cumulative total costs of the facility's  
514.13 remodeling projects do not exceed \$1,000,000;

514.14 (m) to license and certify beds that are moved from one location to another for the  
514.15 purposes of converting up to five four-bed wards to single or double occupancy rooms in  
514.16 a nursing home that, as of January 1, 1993, was county-owned and had a licensed capacity  
514.17 of 115 beds;

514.18 (n) to allow a facility that on April 16, 1993, was a 106-bed licensed and certified nursing  
514.19 facility located in Minneapolis to layaway all of its licensed and certified nursing home  
514.20 beds. These beds may be relicensed and recertified in a newly constructed teaching nursing  
514.21 home facility affiliated with a teaching hospital upon approval by the legislature. The  
514.22 proposal must be developed in consultation with the interagency committee on long-term  
514.23 care planning. The beds on layaway status shall have the same status as voluntarily delicensed  
514.24 and decertified beds, except that beds on layaway status remain subject to the surcharge in  
514.25 section 256.9657. This layaway provision expires July 1, 1998;

514.26 (o) to allow a project which will be completed in conjunction with an approved  
514.27 moratorium exception project for a nursing home in southern Cass County and which is  
514.28 directly related to that portion of the facility that must be repaired, renovated, or replaced,  
514.29 to correct an emergency plumbing problem for which a state correction order has been  
514.30 issued and which must be corrected by August 31, 1993;

514.31 (p) to allow a facility that on April 16, 1993, was a 368-bed licensed and certified nursing  
514.32 facility located in Minneapolis to layaway, upon 30 days prior written notice to the  
514.33 commissioner, up to 30 of the facility's licensed and certified beds by converting three-bed  
514.34 wards to single or double occupancy. Beds on layaway status shall have the same status as

515.1 voluntarily delicensed and decertified beds except that beds on layaway status remain subject  
515.2 to the surcharge in section 256.9657, remain subject to the license application and renewal  
515.3 fees under section 144A.07 and shall be subject to a \$100 per bed reactivation fee. In  
515.4 addition, at any time within three years of the effective date of the layaway, the beds on  
515.5 layaway status may be:

515.6 (1) relicensed and recertified upon relocation and reactivation of some or all of the beds  
515.7 to an existing licensed and certified facility or facilities located in Pine River, Brainerd, or  
515.8 International Falls; provided that the total project construction costs related to the relocation  
515.9 of beds from layaway status for any facility receiving relocated beds may not exceed the  
515.10 dollar threshold provided in subdivision 2 unless the construction project has been approved  
515.11 through the moratorium exception process under section 144A.073;

515.12 (2) relicensed and recertified, upon reactivation of some or all of the beds within the  
515.13 facility which placed the beds in layaway status, if the commissioner has determined a need  
515.14 for the reactivation of the beds on layaway status.

515.15 The property-related payment rate of a facility placing beds on layaway status must be  
515.16 adjusted by the incremental change in its rental per diem after recalculating the rental per  
515.17 diem as provided in section 256B.431, subdivision 3a, paragraph (c). The property-related  
515.18 payment rate for a facility relicensing and recertifying beds from layaway status must be  
515.19 adjusted by the incremental change in its rental per diem after recalculating its rental per  
515.20 diem using the number of beds after the relicensing to establish the facility's capacity day  
515.21 divisor, which shall be effective the first day of the month following the month in which  
515.22 the relicensing and recertification became effective. Any beds remaining on layaway status  
515.23 more than three years after the date the layaway status became effective must be removed  
515.24 from layaway status and immediately delicensed and decertified;

515.25 (q) to license and certify beds in a renovation and remodeling project to convert 12  
515.26 four-bed wards into 24 two-bed rooms, expand space, and add improvements in a nursing  
515.27 home that, as of January 1, 1994, met the following conditions: the nursing home was located  
515.28 in Ramsey County; had a licensed capacity of 154 beds; and had been ranked among the  
515.29 top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total  
515.30 project construction cost estimate for this project must not exceed the cost estimate submitted  
515.31 in connection with the 1993 moratorium exception process;

515.32 (r) to license and certify up to 117 beds that are relocated from a licensed and certified  
515.33 138-bed nursing facility located in St. Paul to a hospital with 130 licensed hospital beds  
515.34 located in South St. Paul, provided that the nursing facility and hospital are owned by the



516.1 same or a related organization and that prior to the date the relocation is completed the  
516.2 hospital ceases operation of its inpatient hospital services at that hospital. After relocation,  
516.3 the nursing facility's status shall be the same as it was prior to relocation. The nursing  
516.4 facility's property-related payment rate resulting from the project authorized in this paragraph  
516.5 shall become effective no earlier than April 1, 1996. For purposes of calculating the  
516.6 incremental change in the facility's rental per diem resulting from this project, the allowable  
516.7 appraised value of the nursing facility portion of the existing health care facility physical  
516.8 plant prior to the renovation and relocation may not exceed \$2,490,000;

516.9 (s) to license and certify two beds in a facility to replace beds that were voluntarily  
516.10 delicensed and decertified on June 28, 1991;

516.11 (t) to allow 16 licensed and certified beds located on July 1, 1994, in a 142-bed nursing  
516.12 home and 21-bed boarding care home facility in Minneapolis, notwithstanding the licensure  
516.13 and certification after July 1, 1995, of the Minneapolis facility as a 147-bed nursing home  
516.14 facility after completion of a construction project approved in 1993 under section 144A.073,  
516.15 to be laid away upon 30 days' prior written notice to the commissioner. Beds on layaway  
516.16 status shall have the same status as voluntarily delicensed or decertified beds except that  
516.17 they shall remain subject to the surcharge in section 256.9657. The 16 beds on layaway  
516.18 status may be relicensed as nursing home beds and recertified at any time within five years  
516.19 of the effective date of the layaway upon relocation of some or all of the beds to a licensed  
516.20 and certified facility located in Watertown, provided that the total project construction costs  
516.21 related to the relocation of beds from layaway status for the Watertown facility may not  
516.22 exceed the dollar threshold provided in subdivision 2 unless the construction project has  
516.23 been approved through the moratorium exception process under section 144A.073.

516.24 The property-related payment rate of the facility placing beds on layaway status must  
516.25 be adjusted by the incremental change in its rental per diem after recalculating the rental  
516.26 per diem as provided in section 256B.431, subdivision 3a, paragraph (c). The property-related  
516.27 payment rate for the facility relicensing and recertifying beds from layaway status must be  
516.28 adjusted by the incremental change in its rental per diem after recalculating its rental per  
516.29 diem using the number of beds after the relicensing to establish the facility's capacity day  
516.30 divisor, which shall be effective the first day of the month following the month in which  
516.31 the relicensing and recertification became effective. Any beds remaining on layaway status  
516.32 more than five years after the date the layaway status became effective must be removed  
516.33 from layaway status and immediately delicensed and decertified;

516.34 (u) to license and certify beds that are moved within an existing area of a facility or to  
516.35 a newly constructed addition which is built for the purpose of eliminating three- and four-bed

517.1 rooms and adding space for dining, lounge areas, bathing rooms, and ancillary service areas  
517.2 in a nursing home that, as of January 1, 1995, was located in Fridley and had a licensed  
517.3 capacity of 129 beds;

517.4 (v) to relocate 36 beds in Crow Wing County and four beds from Hennepin County to  
517.5 a 160-bed facility in Crow Wing County, provided all the affected beds are under common  
517.6 ownership;

517.7 (w) to license and certify a total replacement project of up to 49 beds located in Norman  
517.8 County that are relocated from a nursing home destroyed by flood and whose residents were  
517.9 relocated to other nursing homes. The operating cost payment rates for the new nursing  
517.10 facility shall be determined based on the interim and settle-up payment provisions of  
517.11 Minnesota Rules, part 9549.0057, and the reimbursement provisions of ~~section 256B.431~~  
517.12 chapter 256R. Property-related reimbursement rates shall be determined under section  
517.13 ~~256B.431~~ 256R.26, taking into account any federal or state flood-related loans or grants  
517.14 provided to the facility;

517.15 (x) to license and certify to the licensee of a nursing home in Polk County that was  
517.16 destroyed by flood in 1997 replacement projects with a total of up to 129 beds, with at least  
517.17 25 beds to be located in Polk County and up to 104 beds distributed among up to three other  
517.18 counties. These beds may only be distributed to counties with fewer than the median number  
517.19 of age intensity adjusted beds per thousand, as most recently published by the commissioner  
517.20 of human services. If the licensee chooses to distribute beds outside of Polk County under  
517.21 this paragraph, prior to distributing the beds, the commissioner of health must approve the  
517.22 location in which the licensee plans to distribute the beds. The commissioner of health shall  
517.23 consult with the commissioner of human services prior to approving the location of the  
517.24 proposed beds. The licensee may combine these beds with beds relocated from other nursing  
517.25 facilities as provided in section 144A.073, subdivision 3c. The operating payment rates for  
517.26 the new nursing facilities shall be determined based on the interim and settle-up payment  
517.27 provisions of ~~section 256B.431 or 256B.434, chapter 256R, or Minnesota Rules, parts~~  
517.28 ~~9549.0010 to 9549.0080~~. Property-related reimbursement rates shall be determined under  
517.29 ~~section 256B.431 or 256B.434 or chapter 256R~~ 256R.26. If the replacement beds permitted  
517.30 under this paragraph are combined with beds from other nursing facilities, the rates shall  
517.31 be calculated as the weighted average of rates determined as provided in this paragraph and  
517.32 ~~chapter 256R~~ section 256R.50;

517.33 (y) to license and certify beds in a renovation and remodeling project to convert 13  
517.34 three-bed wards into 13 two-bed rooms and 13 single-bed rooms, expand space, and add  
517.35 improvements in a nursing home that, as of January 1, 1994, met the following conditions:



518.1 the nursing home was located in Ramsey County, was not owned by a hospital corporation,  
518.2 had a licensed capacity of 64 beds, and had been ranked among the top 15 applicants by  
518.3 the 1993 moratorium exceptions advisory review panel. The total project construction cost  
518.4 estimate for this project must not exceed the cost estimate submitted in connection with the  
518.5 1993 moratorium exception process;

518.6 (z) to license and certify up to 150 nursing home beds to replace an existing 285 bed  
518.7 nursing facility located in St. Paul. The replacement project shall include both the renovation  
518.8 of existing buildings and the construction of new facilities at the existing site. The reduction  
518.9 in the licensed capacity of the existing facility shall occur during the construction project  
518.10 as beds are taken out of service due to the construction process. Prior to the start of the  
518.11 construction process, the facility shall provide written information to the commissioner of  
518.12 health describing the process for bed reduction, plans for the relocation of residents, and  
518.13 the estimated construction schedule. The relocation of residents shall be in accordance with  
518.14 the provisions of law and rule;

518.15 (aa) to allow the commissioner of human services to license an additional 36 beds to  
518.16 provide residential services for the physically disabled under Minnesota Rules, parts  
518.17 9570.2000 to 9570.3400, in a 198-bed nursing home located in Red Wing, provided that  
518.18 the total number of licensed and certified beds at the facility does not increase;

518.19 (bb) to license and certify a new facility in St. Louis County with 44 beds constructed  
518.20 to replace an existing facility in St. Louis County with 31 beds, which has resident rooms  
518.21 on two separate floors and an antiquated elevator that creates safety concerns for residents  
518.22 and prevents nonambulatory residents from residing on the second floor. The project shall  
518.23 include the elimination of three- and four-bed rooms;

518.24 (cc) to license and certify four beds in a 16-bed certified boarding care home in  
518.25 Minneapolis to replace beds that were voluntarily delicensed and decertified on or before  
518.26 March 31, 1992. The licensure and certification is conditional upon the facility periodically  
518.27 assessing and adjusting its resident mix and other factors which may contribute to a potential  
518.28 institution for mental disease declaration. The commissioner of human services shall retain  
518.29 the authority to audit the facility at any time and shall require the facility to comply with  
518.30 any requirements necessary to prevent an institution for mental disease declaration, including  
518.31 delicensure and decertification of beds, if necessary;

518.32 (dd) to license and certify 72 beds in an existing facility in Mille Lacs County with 80  
518.33 beds as part of a renovation project. The renovation must include construction of an addition  
518.34 to accommodate ten residents with beginning and midstage dementia in a self-contained

519.1 living unit; creation of three resident households where dining, activities, and support spaces  
519.2 are located near resident living quarters; designation of four beds for rehabilitation in a  
519.3 self-contained area; designation of 30 private rooms; and other improvements;

519.4 (ee) to license and certify beds in a facility that has undergone replacement or remodeling  
519.5 as part of a planned closure under section 256R.40;

519.6 (ff) to license and certify a total replacement project of up to 124 beds located in Wilkin  
519.7 County that are in need of relocation from a nursing home significantly damaged by flood.  
519.8 The operating cost payment rates for the new nursing facility shall be determined based on  
519.9 the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the  
519.10 reimbursement provisions of ~~section 256B.431~~ chapter 256R. Property-related reimbursement  
519.11 rates shall be determined under section ~~256B.431~~ 256R.26, taking into account any federal  
519.12 or state flood-related loans or grants provided to the facility;

519.13 (gg) to allow the commissioner of human services to license an additional nine beds to  
519.14 provide residential services for the physically disabled under Minnesota Rules, parts  
519.15 9570.2000 to 9570.3400, in a 240-bed nursing home located in Duluth, provided that the  
519.16 total number of licensed and certified beds at the facility does not increase;

519.17 (hh) to license and certify up to 120 new nursing facility beds to replace beds in a facility  
519.18 in Anoka County, which was licensed for 98 beds as of July 1, 2000, provided the new  
519.19 facility is located within four miles of the existing facility and is in Anoka County. Operating  
519.20 and property rates shall be determined and allowed under ~~section 256B.431~~ chapter 256R  
519.21 and Minnesota Rules, parts 9549.0010 to 9549.0080, ~~or section 256B.434 or chapter 256R~~;  
519.22 or

519.23 (ii) to transfer up to 98 beds of a 129-licensed bed facility located in Anoka County that,  
519.24 as of March 25, 2001, is in the active process of closing, to a 122-licensed bed nonprofit  
519.25 nursing facility located in the city of Columbia Heights or its affiliate. The transfer is effective  
519.26 when the receiving facility notifies the commissioner in writing of the number of beds  
519.27 accepted. The commissioner shall place all transferred beds on layaway status held in the  
519.28 name of the receiving facility. The layaway adjustment provisions of section 256B.431,  
519.29 subdivision 30, do not apply to this layaway. The receiving facility may only remove the  
519.30 beds from layaway for recertification and relicensure at the receiving facility's current site,  
519.31 or at a newly constructed facility located in Anoka County. The receiving facility must  
519.32 receive statutory authorization before removing these beds from layaway status, or may  
519.33 remove these beds from layaway status if removal from layaway status is part of a  
519.34 moratorium exception project approved by the commissioner under section 144A.073.



520.1 Sec. 4. Minnesota Statutes 2016, section 144A.071, subdivision 4c, as amended by Laws  
520.2 2017, chapter 40, article 1, section 24, is amended to read:

520.3 Subd. 4c. **Exceptions for replacement beds after June 30, 2003.** (a) The commissioner  
520.4 of health, in coordination with the commissioner of human services, may approve the  
520.5 renovation, replacement, upgrading, or relocation of a nursing home or boarding care home,  
520.6 under the following conditions:

520.7 (1) to license and certify an 80-bed city-owned facility in Nicollet County to be  
520.8 constructed on the site of a new city-owned hospital to replace an existing 85-bed facility  
520.9 attached to a hospital that is also being replaced. The threshold allowed for this project  
520.10 under section 144A.073 shall be the maximum amount available to pay the additional  
520.11 medical assistance costs of the new facility;

520.12 (2) to license and certify 29 beds to be added to an existing 69-bed facility in St. Louis  
520.13 County, provided that the 29 beds must be transferred from active or layaway status at an  
520.14 existing facility in St. Louis County that had 235 beds on April 1, 2003.

520.15 The licensed capacity at the 235-bed facility must be reduced to 206 beds, but the payment  
520.16 rate at that facility shall not be adjusted as a result of this transfer. The operating payment  
520.17 rate of the facility adding beds after completion of this project shall be the same as it was  
520.18 on the day prior to the day the beds are licensed and certified. This project shall not proceed  
520.19 unless it is approved and financed under the provisions of section 144A.073;

520.20 (3) to license and certify a new 60-bed facility in Austin, provided that: (i) 45 of the new  
520.21 beds are transferred from a 45-bed facility in Austin under common ownership that is closed  
520.22 and 15 of the new beds are transferred from a 182-bed facility in Albert Lea under common  
520.23 ownership; (ii) the commissioner of human services is authorized by the 2004 legislature  
520.24 to negotiate budget-neutral planned nursing facility closures; and (iii) money is available  
520.25 from planned closures of facilities under common ownership to make implementation of  
520.26 this clause budget-neutral to the state. The bed capacity of the Albert Lea facility shall be  
520.27 reduced to 167 beds following the transfer. Of the 60 beds at the new facility, 20 beds shall  
520.28 be used for a special care unit for persons with Alzheimer's disease or related dementias;

520.29 (4) to license and certify up to 80 beds transferred from an existing state-owned nursing  
520.30 facility in Cass County to a new facility located on the grounds of the Ah-Gwah-Ching  
520.31 campus. The operating cost payment rates for the new facility shall be determined based  
520.32 on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and  
520.33 the reimbursement provisions of ~~section 256B.431~~ chapter 256R. The property payment  
520.34 rate for the first three years of operation shall be \$35 per day. For subsequent years, the

521.1 property payment rate of \$35 per day shall be adjusted for inflation as provided in section  
521.2 256B.434, subdivision 4, paragraph (c), as long as the facility has a contract under section  
521.3 256B.434;

521.4 (5) to initiate a pilot program to license and certify up to 80 beds transferred from an  
521.5 existing county-owned nursing facility in Steele County relocated to the site of a new acute  
521.6 care facility as part of the county's Communities for a Lifetime comprehensive plan to create  
521.7 innovative responses to the aging of its population. Upon relocation to the new site, the  
521.8 nursing facility shall delicense 28 beds. The payment rate for external fixed costs for the  
521.9 new facility shall be increased by an amount as calculated according to items (i) to (v):

521.10 (i) compute the estimated decrease in medical assistance residents served by the nursing  
521.11 facility by multiplying the decrease in licensed beds by the historical percentage of medical  
521.12 assistance resident days;

521.13 (ii) compute the annual savings to the medical assistance program from the delicensure  
521.14 of 28 beds by multiplying the anticipated decrease in medical assistance residents, determined  
521.15 in item (i), by the existing facility's weighted average payment rate multiplied by 365;

521.16 (iii) compute the anticipated annual costs for community-based services by multiplying  
521.17 the anticipated decrease in medical assistance residents served by the nursing facility,  
521.18 determined in item (i), by the average monthly elderly waiver service costs for individuals  
521.19 in Steele County multiplied by 12;

521.20 (iv) subtract the amount in item (iii) from the amount in item (ii);

521.21 (v) divide the amount in item (iv) by an amount equal to the relocated nursing facility's  
521.22 occupancy factor under section 256B.431, subdivision 3f, paragraph (c), multiplied by the  
521.23 historical percentage of medical assistance resident days; and

521.24 (6) to consolidate and relocate nursing facility beds to a new site in Goodhue County  
521.25 and to integrate these services with other community-based programs and services under a  
521.26 communities for a lifetime pilot program and comprehensive plan to create innovative  
521.27 responses to the aging of its population. Two nursing facilities, one for 84 beds and one for  
521.28 65 beds, in the city of Red Wing licensed on July 1, 2015, shall be consolidated into a newly  
521.29 renovated 64-bed nursing facility resulting in the delicensure of 85 beds. Notwithstanding  
521.30 the carryforward of the approval authority in section 144A.073, subdivision 11, the funding  
521.31 approved in April 2009 by the commissioner of health for a project in Goodhue County  
521.32 shall not carry forward. The closure of the 85 beds shall not be eligible for a planned closure  
521.33 rate adjustment under section 256R.40. The construction project permitted in this clause  
521.34 shall not be eligible for a threshold project rate adjustment under section 256B.434,



522.1 subdivision 4f. The payment rate for external fixed costs for the new facility shall be  
522.2 increased by an amount as calculated according to items (i) to (vi):

522.3 (i) compute the estimated decrease in medical assistance residents served by both nursing  
522.4 facilities by multiplying the difference between the occupied beds of the two nursing facilities  
522.5 for the reporting year ending September 30, 2009, and the projected occupancy of the facility  
522.6 at 95 percent occupancy by the historical percentage of medical assistance resident days;

522.7 (ii) compute the annual savings to the medical assistance program from the delicensure  
522.8 by multiplying the anticipated decrease in the medical assistance residents, determined in  
522.9 item (i), by the hospital-owned nursing facility weighted average payment rate multiplied  
522.10 by 365;

522.11 (iii) compute the anticipated annual costs for community-based services by multiplying  
522.12 the anticipated decrease in medical assistance residents served by the facilities, determined  
522.13 in item (i), by the average monthly elderly waiver service costs for individuals in Goodhue  
522.14 County multiplied by 12;

522.15 (iv) subtract the amount in item (iii) from the amount in item (ii);

522.16 (v) multiply the amount in item (iv) by 57.2 percent; and

522.17 (vi) divide the difference of the amount in item (iv) and the amount in item (v) by an  
522.18 amount equal to the relocated nursing facility's occupancy factor under section 256B.431,  
522.19 subdivision 3f, paragraph (c), multiplied by the historical percentage of medical assistance  
522.20 resident days.

522.21 (b) Projects approved under this subdivision shall be treated in a manner equivalent to  
522.22 projects approved under subdivision 4a.

522.23 Sec. 5. Minnesota Statutes 2016, section 144A.10, subdivision 4, as amended by Laws  
522.24 2017, chapter 40, article 1, section 27, is amended to read:

522.25 Subd. 4. **Correction orders.** Whenever a duly authorized representative of the  
522.26 commissioner of health finds upon inspection of a nursing home, that the facility or a  
522.27 controlling person or an employee of the facility is not in compliance with sections 144.411  
522.28 to 144.417, 144.651, 144.6503, 144A.01 to 144A.155, or 626.557 or the rules promulgated  
522.29 thereunder, a correction order shall be issued to the facility. The correction order shall state  
522.30 the deficiency, cite the specific rule or statute violated, state the suggested method of  
522.31 correction, and specify the time allowed for correction. If the commissioner finds that the  
522.32 nursing home had uncorrected or repeated violations which create a risk to resident care,  
522.33 safety, or rights, the commissioner shall notify the commissioner of human services who

523.1 shall require the facility to use any incentive payments received under section 256R.38, to  
523.2 correct the violations and shall require the facility to forfeit incentive payments for failure  
523.3 to correct the violations. The forfeiture shall not apply to correction orders issued for physical  
523.4 plant deficiencies.

523.5 Sec. 6. Minnesota Statutes 2016, section 144A.74, is amended to read:

523.6 **144A.74 MAXIMUM CHARGES.**

523.7 A supplemental nursing services agency must not bill or receive payments from a nursing  
523.8 home licensed under this chapter at a rate higher than 150 percent of the sum of the weighted  
523.9 average wage rate, plus a factor determined by the commissioner to incorporate payroll  
523.10 taxes as defined in Minnesota Rules, ~~part 9549.0020, subpart 33~~ section 256R.02, subdivision  
523.11 37, for the applicable employee classification for the geographic group to which the nursing  
523.12 home is assigned under Minnesota Rules, part 9549.0052. The weighted average wage rates  
523.13 must be determined by the commissioner of human services and reported to the commissioner  
523.14 of health on an annual basis. Wages are defined as hourly rate of pay and shift differential,  
523.15 including weekend shift differential and overtime. Facilities shall provide information  
523.16 necessary to determine weighted average wage rates to the commissioner of human services  
523.17 in a format requested by the commissioner. The maximum rate must include all charges for  
523.18 administrative fees, contract fees, or other special charges in addition to the hourly rates for  
523.19 the temporary nursing pool personnel supplied to a nursing home.

523.20 Sec. 7. Minnesota Statutes 2016, section 256.9657, subdivision 1, is amended to read:

523.21 Subdivision 1. **Nursing home license surcharge.** (a) Effective July 1, 1993, each  
523.22 non-state-operated nursing home licensed under chapter 144A shall pay to the commissioner  
523.23 an annual surcharge according to the schedule in subdivision 4. The surcharge shall be  
523.24 calculated as \$620 per licensed bed. If the number of licensed beds is reduced, the surcharge  
523.25 shall be based on the number of remaining licensed beds the second month following the  
523.26 receipt of timely notice by the commissioner of human services that beds have been  
523.27 delicensed. The nursing home must notify the commissioner of health in writing when beds  
523.28 are delicensed. The commissioner of health must notify the commissioner of human services  
523.29 within ten working days after receiving written notification. If the notification is received  
523.30 by the commissioner of human services by the 15th of the month, the invoice for the second  
523.31 following month must be reduced to recognize the delicensing of beds. Beds on layaway  
523.32 status continue to be subject to the surcharge. The commissioner of human services must



524.1 acknowledge a medical care surcharge appeal within 30 days of receipt of the written appeal  
524.2 from the provider.

524.3 (b) Effective July 1, 1994, the surcharge in paragraph (a) shall be increased to \$625.

524.4 (c) Effective August 15, 2002, the surcharge under paragraph (b) shall be increased to  
524.5 \$990.

524.6 (d) Effective July 15, 2003, the surcharge under paragraph (c) shall be increased to  
524.7 \$2,815.

524.8 (e) The commissioner may reduce, and may subsequently restore, the surcharge under  
524.9 paragraph (d) based on the commissioner's determination of a permissible surcharge.

524.10 ~~(f) Between April 1, 2002, and August 15, 2004, a facility governed by this subdivision~~  
524.11 ~~may elect to assume full participation in the medical assistance program by agreeing to~~  
524.12 ~~comply with all of the requirements of the medical assistance program, including the rate~~  
524.13 ~~equalization law in section 256B.48, subdivision 1, paragraph (a), and all other requirements~~  
524.14 ~~established in law or rule, and to begin intake of new medical assistance recipients. Rates~~  
524.15 ~~will be determined under Minnesota Rules, parts 9549.0010 to 9549.0080. Rate calculations~~  
524.16 ~~will be subject to limits as prescribed in rule and law. Other than the adjustments in sections~~  
524.17 ~~256B.431, subdivisions 30 and 32; 256B.437, subdivision 3, paragraph (b), Minnesota~~  
524.18 ~~Rules, part 9549.0057, and any other applicable legislation enacted prior to the finalization~~  
524.19 ~~of rates, facilities assuming full participation in medical assistance under this paragraph are~~  
524.20 ~~not eligible for any rate adjustments until the July 1 following their settle-up period.~~

524.21 Sec. 8. Minnesota Statutes 2016, section 256B.0915, subdivision 3e, is amended to read:

524.22 Subd. 3e. **Customized living service rate.** (a) Payment for customized living services  
524.23 shall be a monthly rate authorized by the lead agency within the parameters established by  
524.24 the commissioner. The payment agreement must delineate the amount of each component  
524.25 service included in the recipient's customized living service plan. The lead agency, with  
524.26 input from the provider of customized living services, shall ensure that there is a documented  
524.27 need within the parameters established by the commissioner for all component customized  
524.28 living services authorized.

524.29 (b) The payment rate must be based on the amount of component services to be provided  
524.30 utilizing component rates established by the commissioner. Counties and tribes shall use  
524.31 tools issued by the commissioner to develop and document customized living service plans  
524.32 and rates.

525.1 (c) Component service rates must not exceed payment rates for comparable elderly  
525.2 waiver or medical assistance services and must reflect economies of scale. Customized  
525.3 living services must not include rent or raw food costs.

525.4 (d) With the exception of individuals described in subdivision 3a, paragraph (b), the  
525.5 individualized monthly authorized payment for the customized living service plan shall not  
525.6 exceed 50 percent of the greater of either the statewide or any of the geographic groups'  
525.7 weighted average monthly nursing facility rate of the case mix resident class to which the  
525.8 elderly waiver eligible client would be assigned under Minnesota Rules, parts 9549.0051  
525.9 to 9549.0059, less the maintenance needs allowance as described in subdivision 1d, paragraph  
525.10 (a). Effective on July 1 of the state fiscal year in which the resident assessment system as  
525.11 described in section ~~256B.438~~ 256R.17 for nursing home rate determination is implemented  
525.12 and July 1 of each subsequent state fiscal year, the individualized monthly authorized  
525.13 payment for the services described in this clause shall not exceed the limit which was in  
525.14 effect on June 30 of the previous state fiscal year updated annually based on legislatively  
525.15 adopted changes to all service rate maximums for home and community-based service  
525.16 providers.

525.17 (e) Effective July 1, 2011, the individualized monthly payment for the customized living  
525.18 service plan for individuals described in subdivision 3a, paragraph (b), must be the monthly  
525.19 authorized payment limit for customized living for individuals classified as case mix A,  
525.20 reduced by 25 percent. This rate limit must be applied to all new participants enrolled in  
525.21 the program on or after July 1, 2011, who meet the criteria described in subdivision 3a,  
525.22 paragraph (b). This monthly limit also applies to all other participants who meet the criteria  
525.23 described in subdivision 3a, paragraph (b), at reassessment.

525.24 (f) Customized living services are delivered by a provider licensed by the Department  
525.25 of Health as a class A or class F home care provider and provided in a building that is  
525.26 registered as a housing with services establishment under chapter 144D. Licensed home  
525.27 care providers are subject to section 256B.0651, subdivision 14.

525.28 (g) A provider may not bill or otherwise charge an elderly waiver participant or their  
525.29 family for additional units of any allowable component service beyond those available under  
525.30 the service rate limits described in paragraph (d), nor for additional units of any allowable  
525.31 component service beyond those approved in the service plan by the lead agency.

525.32 (h) Effective July 1, 2016, and each July 1 thereafter, individualized service rate limits  
525.33 for customized living services under this subdivision shall be increased by the difference  
525.34 between any legislatively adopted home and community-based provider rate increases



526.1 effective on July 1 or since the previous July 1 and the average statewide percentage increase  
526.2 in nursing facility operating payment rates under sections 256B.431, 256B.434, and 256B.441  
526.3 chapter 256R, effective the previous January 1. This paragraph shall only apply if the average  
526.4 statewide percentage increase in nursing facility operating payment rates is greater than any  
526.5 legislatively adopted home and community-based provider rate increases effective on July  
526.6 1, or occurring since the previous July 1.

526.7 Sec. 9. Minnesota Statutes 2016, section 256B.35, subdivision 4, as amended by Laws  
526.8 2017, chapter 40, article 1, section 72, is amended to read:

526.9 Subd. 4. **Field audits required.** The commissioner of human services shall conduct  
526.10 field audits at the same time as cost report audits required under section 256R.13, subdivision  
526.11 1, and at any other time but at least once every four years, without notice, to determine  
526.12 whether this section was complied with and that the funds provided residents for their  
526.13 personal needs were actually expended for that purpose.

526.14 Sec. 10. Minnesota Statutes 2016, section 256B.431, subdivision 30, is amended to read:

526.15 Subd. 30. **Bed layaway and delicensure.** (a) For rate years beginning on or after July  
526.16 1, 2000, a nursing facility reimbursed under this section which has placed beds on layaway  
526.17 shall, for purposes of application of the downsizing incentive in subdivision 3a, paragraph  
526.18 (c), and calculation of the rental per diem, have those beds given the same effect as if the  
526.19 beds had been delicensed so long as the beds remain on layaway. At the time of a layaway,  
526.20 a facility may change its single bed election for use in calculating capacity days under  
526.21 Minnesota Rules, part 9549.0060, subpart 11. The property payment rate increase shall be  
526.22 effective the first day of the month following the month in which the layaway of the beds  
526.23 becomes effective under section 144A.071, subdivision 4b.

526.24 (b) For rate years beginning on or after July 1, 2000, notwithstanding any provision to  
526.25 the contrary under section 256B.434 or chapter 256R, a nursing facility reimbursed under  
526.26 that section or chapter which has placed beds on layaway shall, for so long as the beds  
526.27 remain on layaway, be allowed to:

526.28 (1) aggregate the applicable investment per bed limits based on the number of beds  
526.29 licensed immediately prior to entering the alternative payment system;

526.30 (2) retain or change the facility's single bed election for use in calculating capacity days  
526.31 under Minnesota Rules, part 9549.0060, subpart 11; and

527.1 (3) establish capacity days based on the number of beds immediately prior to the layaway  
527.2 and the number of beds after the layaway.

527.3 The commissioner shall increase the facility's property payment rate by the incremental  
527.4 increase in the rental per diem resulting from the recalculation of the facility's rental per  
527.5 diem applying only the changes resulting from the layaway of beds and clauses (1), (2), and  
527.6 (3). If a facility reimbursed under section 256B.434 or chapter 256R completes a moratorium  
527.7 exception project after its base year, the base year property rate shall be the moratorium  
527.8 project property rate. The base year rate shall be inflated by the factors in section 256B.434,  
527.9 subdivision 4, paragraph (c). The property payment rate increase shall be effective the first  
527.10 day of the month following the month in which the layaway of the beds becomes effective.

527.11 (c) If a nursing facility removes a bed from layaway status in accordance with section  
527.12 144A.071, subdivision 4b, the commissioner shall establish capacity days based on the  
527.13 number of licensed and certified beds in the facility not on layaway and shall reduce the  
527.14 nursing facility's property payment rate in accordance with paragraph (b).

527.15 (d) For the rate years beginning on or after July 1, 2000, notwithstanding any provision  
527.16 to the contrary under section 256B.434 or chapter 256R, a nursing facility reimbursed under  
527.17 that section or chapter, which has delicensed beds after July 1, 2000, by giving notice of  
527.18 the delicensure to the commissioner of health according to the notice requirements in section  
527.19 144A.071, subdivision 4b, shall be allowed to:

527.20 (1) aggregate the applicable investment per bed limits based on the number of beds  
527.21 licensed immediately prior to entering the alternative payment system;

527.22 (2) retain or change the facility's single bed election for use in calculating capacity days  
527.23 under Minnesota Rules, part 9549.0060, subpart 11; and

527.24 (3) establish capacity days based on the number of beds immediately prior to the  
527.25 delicensure and the number of beds after the delicensure.

527.26 The commissioner shall increase the facility's property payment rate by the incremental  
527.27 increase in the rental per diem resulting from the recalculation of the facility's rental per  
527.28 diem applying only the changes resulting from the delicensure of beds and clauses (1), (2),  
527.29 and (3). If a facility reimbursed under section 256B.434 completes a moratorium exception  
527.30 project after its base year, the base year property rate shall be the moratorium project property  
527.31 rate. The base year rate shall be inflated by the factors in section 256B.434, subdivision 4,  
527.32 paragraph (c). The property payment rate increase shall be effective the first day of the  
527.33 month following the month in which the delicensure of the beds becomes effective.



528.1 (e) For nursing facilities reimbursed under this section ~~or~~, section 256B.434, or chapter  
528.2 256R, any beds placed on layaway shall not be included in calculating facility occupancy  
528.3 as it pertains to leave days defined in Minnesota Rules, part 9505.0415.

528.4 (f) For nursing facilities reimbursed under this section ~~or~~, section 256B.434, or chapter  
528.5 256R, the rental rate calculated after placing beds on layaway may not be less than the rental  
528.6 rate prior to placing beds on layaway.

528.7 (g) A nursing facility receiving a rate adjustment as a result of this section shall comply  
528.8 with section ~~256B.47, subdivision 2~~ 256R.06, subdivision 5.

528.9 (h) A facility that does not utilize the space made available as a result of bed layaway  
528.10 or delicensure under this subdivision to reduce the number of beds per room or provide  
528.11 more common space for nursing facility uses or perform other activities related to the  
528.12 operation of the nursing facility shall have its property rate increase calculated under this  
528.13 subdivision reduced by the ratio of the square footage made available that is not used for  
528.14 these purposes to the total square footage made available as a result of bed layaway or  
528.15 delicensure.

528.16 Sec. 11. EFFECTIVE DATE.

528.17 Sections 1 to 10 are effective the day following final enactment.

528.18 **ARTICLE 15**

528.19 **MANAGED CARE ORGANIZATIONS**

528.20 Section 1. Minnesota Statutes 2016, section 256.045, subdivision 3a, is amended to read:

528.21 Subd. 3a. **Prepaid health plan appeals.** (a) All prepaid health plans under contract to  
528.22 the commissioner under chapter 256B must provide for a complaint system according to  
528.23 section 62D.11. When a prepaid health plan denies, reduces, or terminates a health service  
528.24 or denies a request to authorize a previously authorized health service, the prepaid health  
528.25 plan must notify the recipient of the right to file a complaint or an appeal. The notice must  
528.26 include the name and telephone number of the ombudsman and notice of the recipient's  
528.27 right to request a hearing under paragraph (b). Recipients may request the assistance of the  
528.28 ombudsman in the complaint system process. The prepaid health plan must issue a written  
528.29 resolution of the complaint to the recipient within 30 days after the complaint is filed with  
528.30 the prepaid health plan. A recipient is not required to exhaust the complaint system  
528.31 procedures in order to request a hearing under paragraph (b).

529.1 (b) Recipients enrolled in a prepaid health plan under chapter 256B may contest a prepaid  
529.2 health plan's denial, reduction, or termination of health services, a prepaid health plan's  
529.3 denial of a request to authorize a previously authorized health service, or the prepaid health  
529.4 plan's written resolution of a complaint by submitting a written request for a hearing  
529.5 according to subdivision 3. A state human services judge shall conduct a hearing on the  
529.6 matter and shall recommend an order to the commissioner of human services. The  
529.7 commissioner need not grant a hearing if the sole issue raised by a recipient is the  
529.8 commissioner's authority to require mandatory enrollment in a prepaid health plan in a  
529.9 county where prepaid health plans are under contract with the commissioner. The state  
529.10 human services judge may order a second medical opinion from the prepaid health plan or  
529.11 ~~may order a second medical opinion from~~ a nonprepaid health plan provider at the expense  
529.12 of the ~~prepaid health plan~~ Department of Human Services. Recipients may request the  
529.13 assistance of the ombudsman in the appeal process.

529.14 (c) In the written request for a hearing to appeal from a prepaid health plan's denial,  
529.15 reduction, or termination of a health service, a prepaid health plan's denial of a request to  
529.16 authorize a previously authorized service, or the prepaid health plan's written resolution to  
529.17 a complaint, a recipient may request an expedited hearing. If an expedited appeal is  
529.18 warranted, the state human services judge shall hear the appeal and render a decision within  
529.19 a time commensurate with the level of urgency involved, based on the individual  
529.20 circumstances of the case.

529.21 (d) Beginning January 1, 2018, the requirements of Code of Federal Regulations, part  
529.22 42, sections 438.400 to 438.424, take precedent over any conflicting provisions in this  
529.23 subdivision. All other provisions of this section remain in effect.

529.24 Sec. 2. Minnesota Statutes 2016, section 256B.69, is amended by adding a subdivision to  
529.25 read:

529.26 Subd. 36. Enrollee support system. (a) The commissioner shall establish an enrollee  
529.27 support system that provides support to an enrollee before and during enrollment in a  
529.28 managed care plan.

529.29 (b) The enrollee support system must:

529.30 (1) provide access to counseling for each potential enrollee on choosing a managed care  
529.31 plan;

529.32 (2) assist an enrollee in understanding enrollment in a managed care plan;



530.1 (3) provide an access point for complaints regarding enrollment, covered services, and  
530.2 other related matters;

530.3 (4) provide information on an enrollee's grievance and appeal rights within the managed  
530.4 care organization and the state's fair hearing process, including an enrollee's rights and  
530.5 responsibilities; and

530.6 (5) provide assistance to an enrollee, upon request, in navigating the grievance and  
530.7 appeals process within the managed care organization and in appealing adverse benefit  
530.8 determinations made by the managed care organization to the state's fair hearing process  
530.9 after the managed care organization's internal appeals process has been exhausted. Assistance  
530.10 does not include providing representation to an enrollee at the state's fair hearing, but may  
530.11 include a referral to appropriate legal representation sources.

530.12 (c) Outreach to enrollees through the support system must be accessible to an enrollee  
530.13 through multiple formats, including telephone, Internet, in-person, and, if requested, through  
530.14 auxiliary aids and services.

530.15 (d) The commissioner may designate enrollment brokers to assist enrollees on selecting  
530.16 a managed care organization and providing necessary enrollment information. For purposes  
530.17 of this subdivision, "enrollment broker" means an individual or entity that performs choice  
530.18 counseling or enrollment activities in accordance with Code of Federal Regulations, part  
530.19 42, section 438.810, or both.

530.20 Sec. 3. Minnesota Statutes 2016, section 256B.69, is amended by adding a subdivision to  
530.21 read:

530.22 Subd. 37. **Networks.** (a) The commissioner shall ensure that a managed care  
530.23 organization's network providers are enrolled with the commissioner as medical assistance  
530.24 providers, and that the providers comply with the provider disclosure, screening, and  
530.25 enrollment requirements in Code of Federal Regulations, part 42, section 455. A provider  
530.26 that has a network provider contract with the managed care organization is not required to  
530.27 provide services to a medical assistance or MinnesotaCare recipient who is receiving services  
530.28 through the fee-for-service system.

530.29 (b) A managed care organization may enter into a network provider contract with a  
530.30 provider that is not a medical assistance provider for a period of up to 120 days pending the  
530.31 outcome of the medical assistance provider enrollment process. A managed care organization  
530.32 must terminate the contract upon notification that the provider cannot be enrolled as a  
530.33 medical assistance provider or upon expiration of the 120-day period if notification has not

531.1 been received within that period. The managed care organization must notify each affected  
531.2 enrollee of the provider contract termination.

531.3 (c) For purposes of this subdivision, "network provider" means any provider, group of  
531.4 providers, entity with a network provider agreement with the managed care organization,  
531.5 or subcontractor that receives payments from the managed care organization either directly  
531.6 or indirectly to provide services under a managed care contract between the commissioner  
531.7 and the managed care organization.

531.8 **Sec. 4. [256B.6925] ENROLLEE INFORMATION.**

531.9 **Subdivision 1. Information provided by the commissioner.** The commissioner shall  
531.10 provide to each potential enrollee the following information:

531.11 (1) basic features of receiving services through managed care;

531.12 (2) which individuals are excluded from managed care enrollment, subject to mandatory  
531.13 managed care enrollment, or who may choose to enroll voluntarily;

531.14 (3) for mandatory and voluntary enrollment, the length of the enrollment period and  
531.15 information about an enrollee's right to disenroll in accordance with Code of Federal  
531.16 Regulations, part 42, section 438.56;

531.17 (4) the service area covered by each managed care organization;

531.18 (5) covered services, including services provided by the managed care organization and  
531.19 services provided by the commissioner;

531.20 (6) the provider directory and drug formulary for each managed care organization;

531.21 (7) cost-sharing requirements;

531.22 (8) requirements for adequate access to services, including provider network adequacy  
531.23 standards;

531.24 (9) a managed care organization's responsibility for coordination of enrollee care; and

531.25 (10) quality and performance indicators, including enrollee satisfaction for each managed  
531.26 care organization, if available.

531.27 **Subd. 2. Information provided by the managed care organization.** The commissioner  
531.28 shall ensure that managed care organizations provide to each enrollee the following  
531.29 information:

531.30 (1) an enrollee handbook within a reasonable time after receiving notice of the enrollee's  
531.31 enrollment. The handbook must, at a minimum, include information on benefits provided,



532.1 how and where to access benefits, cost-sharing requirements, how transportation is provided,  
532.2 and other information as required by Code of Federal Regulations, part 42, section 438.10,  
532.3 paragraph (g);

532.4 (2) a provider directory for the following provider types: physicians, specialists, hospitals,  
532.5 pharmacies, behavioral health providers, and long-term supports and services providers, as  
532.6 appropriate. The directory must include the provider's name, group affiliation, street address,  
532.7 telephone number, Web site, specialty if applicable, whether the provider accepts new  
532.8 enrollees, the provider's cultural and linguistic capabilities as identified in Code of Federal  
532.9 Regulations, part 42, section 438.10, paragraph (h), and whether the provider's office  
532.10 accommodates people with disabilities;

532.11 (3) a drug formulary that includes both generic and name brand medications that are  
532.12 covered and each medication tier, if applicable;

532.13 (4) written notice of termination of a contracted provider. Within 15 calendar days after  
532.14 receipt or issuance of the termination notice, the managed care organization must make a  
532.15 good faith effort to provide notice to each enrollee who received primary care from, or was  
532.16 seen on a regular basis by, the terminated provider; and

532.17 (5) upon enrollee request, the managed care organization's physician incentive plan.

532.18 Subd. 3. **Provision of information.** (a) All information required to be provided to  
532.19 enrollees and potential enrollees of a managed care organization, including the provider  
532.20 directory, enrollee handbook, and drug formulary, must be provided in a manner and format  
532.21 that is easily understood and readily accessible. The information must be available through  
532.22 the enrollee support system established under section 256B.69, subdivision 36, the  
532.23 department's Web site and each managed care organization's Web site. The commissioner  
532.24 and managed care organization shall inform each enrollee that the information is available  
532.25 on the department's and the managed care organization's Web sites and shall provide the  
532.26 potential enrollee or enrollee with the applicable URL to access the information. An enrollee  
532.27 with a disability who cannot access the information online must be provided, upon request,  
532.28 with auxiliary aids and services necessary to access the information at no cost to the enrollee.

532.29 (b) The commissioner and managed care organization shall provide all required  
532.30 information electronically to potential enrollees and enrollees unless the enrollee requests  
532.31 the information in paper form. The commissioner and managed care organization shall  
532.32 inform an enrollee that, upon request, the information is available in paper form without  
532.33 charge to the enrollee, and shall mail the information to the potential enrollee's or the  
532.34 enrollee's mailing address within five business days of the request. If the information is

533.1 provided to the enrollee through e-mail, the managed care organization must receive the  
533.2 enrollee's agreement before providing the information by e-mail.

533.3 (c) The information required to be provided electronically to a potential enrollee or  
533.4 enrollee must:

533.5 (1) be readily accessible;

533.6 (2) be published in a prominent location on the commissioner's and managed care  
533.7 organization's Web sites in a format that has the capability of being retained and printed;  
533.8 and

533.9 (3) satisfy the requirements for content and language requirements in accordance with  
533.10 Code of Federal Regulations, part 42, section 438.10, paragraph (d).

533.11 Subd. 4. **Language and accessibility standards.** (a) Managed care contracts entered  
533.12 into under section 256B.69, 256B.692, or 256L.12, must require a managed care organization  
533.13 to provide language assistance, and auxiliary aids and services, if requested, to ensure access  
533.14 to a managed care organization's programs and services, as required under United States  
533.15 Code, title 42, sections 18116 and 2000d, and any other federal regulations or guidance  
533.16 from the United States Department of Health and Human Services.

533.17 (b) The commissioner shall establish a methodology to identify the prevalent non-English  
533.18 languages spoken by enrollees and potential enrollees throughout Minnesota and in each  
533.19 managed care organization's service area.

533.20 (c) The commissioner shall ensure that oral interpretation is provided in all languages  
533.21 and written interpretation is provided in each prevalent non-English language, and that both  
533.22 are available to enrollees and potential enrollees free of charge. Oral interpretation services  
533.23 shall include the use of auxiliary aids, TTY/TDY, and American sign language.

533.24 (d) All written materials that target potential enrollees and are provided to enrollees,  
533.25 including the provider directory, enrollee handbook, appeals and grievance notices, and  
533.26 denial and termination notices, must:

533.27 (1) use at least 12-point font;

533.28 (2) be written at a 7th grade reading level;

533.29 (3) be available in alternative formats and through auxiliary aids and services that consider  
533.30 the special needs of the enrollee, including an enrollee with a disability or limited English  
533.31 proficiency;



534.1 (4) use taglines that consist of short statements in each of the prevalent non-English  
534.2 languages, in an 18-point font, that explain the availability of language interpreter services  
534.3 free of charge; and

534.4 (5) explain how to request auxiliary aids and services, including the provision of the  
534.5 materials in alternative formats and the TTY/TDY telephone number of the managed care  
534.6 organization's customer service unit and the department's enrollee support system.

534.7 (e) For purposes of this subdivision, "prevalent non-English language" means a  
534.8 non-English language that is determined by the commissioner to be spoken by a significant  
534.9 number or percentage of potential enrollees and enrollees with limited proficiency in English.

534.10 Subd. 5. **Enrollee communication.** (a) The commissioner shall ensure that the managed  
534.11 care organization:

534.12 (1) submits all marketing materials to the commissioner for approval before distribution  
534.13 and that marketing materials are accurate and do not mislead, confuse, or defraud;

534.14 (2) distributes marketing materials to a managed care organization's entire service area  
534.15 and as otherwise permitted by contract;

534.16 (3) complies with the information requirements in Code of Federal Regulations, part 42,  
534.17 section 438.10;

534.18 (4) does not seek to influence enrollment with the sale or offering of any private  
534.19 insurance, with the exception of communications between an enrollee and a managed care  
534.20 organization that is related to the offering of a qualified health plan as defined under section  
534.21 62K.03; and

534.22 (5) does not directly, or indirectly, engage in door-to-door, telephone, e-mail, texting,  
534.23 or other cold-call marketing activities.

534.24 (b) For the purposes of this subdivision, "cold-call marketing activities" means any  
534.25 unsolicited personal contact or communication by a managed care organization with an  
534.26 individual who is not enrolled in that managed care organization that can be reasonably  
534.27 interpreted as intended to influence the individual to enroll in a specific managed care  
534.28 organization or to not enroll in or disenroll from another managed care organization.

534.29 Sec. 5. **[256B.6926] STATE MONITORING.**

534.30 Subdivision 1. **Generally.** (a) The commissioner shall establish a monitoring system  
534.31 that addresses all aspects of the managed care program, including the performance of each

535.1 managed care organization in the areas identified under Code of Federal Regulations, part  
535.2 42, section 438.66, paragraph (b).

535.3 (b) The commissioner shall use data collected from the monitoring activities, including,  
535.4 at a minimum, the data identified in Code of Federal Regulations, part 42, section 438.66,  
535.5 paragraph (c), to improve the performance of the managed care program.

535.6 Subd. 2. **Readiness review.** The commissioner shall conduct a readiness review of each  
535.7 managed care organization that contracts with the commissioner to assess the managed care  
535.8 organization's ability and capacity to perform satisfactorily in the areas described in Code  
535.9 of Federal Regulations, part 42, section 438.66, paragraph (d), clauses (1) to (4). The review  
535.10 must be conducted and approval must be received from the Centers for Medicare and  
535.11 Medicaid Services prior to the commissioner entering into a contract with the managed care  
535.12 organization.

535.13 Subd. 3. **Report.** (a) The commissioner shall submit to the Centers for Medicare and  
535.14 Medicaid Services, no later than 180 days after each contract year, a report on the managed  
535.15 care program administered by the commissioner, regardless of the authority under which  
535.16 the program operates, with the initial report being submitted 180 days after the contract  
535.17 year following the release of the Centers for Medicare and Medicaid Services guidance.  
535.18 Each report must, at a minimum, assess the managed care program's operation in the areas  
535.19 identified in Code of Federal Regulations, part 42, section 438.66, paragraph (e), clause  
535.20 (2), and must be:

535.21 (1) provided to the Medicaid Citizens' Advisory Committee as required under Code of  
535.22 Federal Regulations, part 42, section 431.12;

535.23 (2) provided to the stakeholder consultation group as required under Code of Federal  
535.24 Regulations, part 42, section 438.70, to the extent the managed care program includes  
535.25 long-term services and supports; and

535.26 (3) published on the department's Web site.

535.27 (b) The report described under this subdivision may be used to meet the commissioner's  
535.28 reporting obligation under the managed care waiver authority for the managed care program.

535.29 Subd. 4. **Conflicts of interest.** The commissioner shall implement safeguards against  
535.30 conflicts of interest on behalf of state and local officers and employees and agents of the  
535.31 state who have responsibilities relating to managed care contracts. The safeguards must be  
535.32 at least as effective as the safeguards specified in United States Code, title 41, sections 2101  
535.33 to 2107. The commissioner shall comply with Code of Federal Regulations, part 42, section



536.1 438.58, and United States Code, title 42, section 1396a, paragraph (a), clause (4), item (c),  
536.2 applicable to contracting officers, employees, or independent contractors.

536.3 **Sec. 6. [256B.6927] QUALITY ASSESSMENT AND PERFORMANCE.**

536.4 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have  
536.5 the meanings given them.

536.6 (b) "Access" means the availability and timely use of services to achieve optimal  
536.7 outcomes as required under Code of Federal Regulations, part 42, sections 438.68 and  
536.8 438.206.

536.9 (c) "External quality review" means the analysis and evaluation by an external quality  
536.10 review organization of the aggregated information on quality, timeliness, and access to the  
536.11 health care services that a managed care organization or the managed care organization's  
536.12 contractor provides to enrollees.

536.13 (d) "External quality review organization" means an organization that meets the  
536.14 competence and independence requirements under Code of Federal Regulations, part 42,  
536.15 section 438.354, and performs external quality review and may perform other external  
536.16 quality review-related activities as required under Code of Federal Regulations, part 42,  
536.17 section 438.358.

536.18 (e) "Quality" means the degree that a managed care organization increases the likelihood  
536.19 of desired outcomes of a managed care organization's enrollees through:

536.20 (1) a managed care organization's structural and operational characteristics;

536.21 (2) the provision of services that are consistent with current professional, evidence-based  
536.22 knowledge; and

536.23 (3) interventions for performance improvement.

536.24 (f) "Validation" means the review of information, data, and procedures to determine the  
536.25 extent that information, data, and procedures are accurate, reliable, free from bias, and  
536.26 according to standards for data collection and analysis.

536.27 Subd. 2. **Quality strategy.** (a) The commissioner shall implement a written quality  
536.28 strategy for assessing and improving the quality of health care and other services provided  
536.29 by managed care organizations. At a minimum, the quality strategy must include:

536.30 (1) defined network adequacy requirements and availability of services standards for  
536.31 managed care organizations, including examples of evidence-based clinical practice  
536.32 guidelines;

- 537.1 (2) measurable goals and objectives for continuous quality improvement that consider  
537.2 the health status of all populations served by the managed care organization;
- 537.3 (3) a description of:
- 537.4 (i) the quality metrics and performance targets used in measuring the performance and  
537.5 improvement of each managed care organization; and
- 537.6 (ii) performance improvement projects, including a description of any intervention  
537.7 proposed by the commissioner to improve access, quality, or timeliness of care for enrollees;
- 537.8 (4) annual, external independent reviews of quality outcomes, and the timeliness of and  
537.9 access to services covered by the managed care organization;
- 537.10 (5) a description of the managed care organization's transition of care policy;
- 537.11 (6) a plan to identify, evaluate, and reduce health disparities based on an enrollee's age,  
537.12 race, ethnicity, sex, primary language, or disability status, and provide this demographic  
537.13 information to the managed care organization at the time of enrollment;
- 537.14 (7) appropriate use of intermediate sanctions to be imposed on a managed care  
537.15 organization;
- 537.16 (8) the mechanisms implemented to identify enrollees who need long-term services and  
537.17 supports or enrollees with special health care needs; and
- 537.18 (9) information related to nonduplication of the external quality review activities in  
537.19 accordance with Code of Federal Regulations, part 42, section 438.360, paragraph (c).
- 537.20 (b) In developing the initial quality strategy, the commissioner shall:
- 537.21 (1) obtain input from the Medicaid Citizens' Advisory Committee, enrollees, and other  
537.22 interested stakeholders;
- 537.23 (2) consult with the tribes according to the tribal consultation policy;
- 537.24 (3) consider recommendations from the external quality review organization identified  
537.25 under subdivision 3, for improving the quality of health care services furnished by the  
537.26 managed care organization; and
- 537.27 (4) make the strategy available for public comment.
- 537.28 (c) The commissioner shall submit a copy of the initial quality strategy to the Centers  
537.29 for Medicare and Medicaid Services for comments and feedback. If significant changes are  
537.30 made based on the comments and feedback received, the commissioner shall publish the



538.1 revised quality strategy on the department's Web site. The commissioner shall make the  
538.2 final quality strategy available on the department's Web site.

538.3 (d) The commissioner shall review and update the quality strategy at least every three  
538.4 years or more frequently, if needed. The review shall include an evaluation of the  
538.5 effectiveness of the quality strategy conducted within the previous three years. The results  
538.6 of the review and any updates shall be published on the department's Web site.

538.7 Subd. 3. **External quality reviews.** (a) The commissioner shall contract with an external  
538.8 quality review organization in accordance with Code of Federal Regulations, part 42, section  
538.9 438.354, to conduct an annual external quality review of each managed care organization.  
538.10 The commissioner shall ensure that all necessary information is provided to the external  
538.11 quality review organization for analysis and inclusion in the external quality review technical  
538.12 report required under paragraph (g). The information provided must be obtained in  
538.13 accordance with Code of Federal Regulations, part 42, section 438.352.

538.14 (b) The commissioner shall follow an open, competitive procurement process according  
538.15 to state and federal law for any contract with an external quality review organization. The  
538.16 external quality review organization may use a subcontractor if the subcontractor meets the  
538.17 requirements for independence. The external quality review organization is accountable for  
538.18 and must oversee all functions performed by the subcontractor.

538.19 (c) The following mandatory external quality review related activities must be performed  
538.20 for each managed care organization:

538.21 (1) validation of performance improvement projects, performance measures, and meeting  
538.22 network adequacy requirements for the 12 months preceding the most recently completed  
538.23 contract period; and

538.24 (2) review of the managed care organization's compliance with Code of Federal  
538.25 Regulations, part 42, subpart D, and section 438.330 for the preceding three years.

538.26 (d) The commissioner may elect to incorporate any of the optional activities listed in  
538.27 Code of Federal Regulations, part 42, section 438.358, paragraph (c), as part of the external  
538.28 quality review.

538.29 (e) To avoid duplication, the commissioner may use information from a Medicare or  
538.30 private accreditation review to provide information for a managed care organization's annual  
538.31 external quality review instead of conducting one or more of the mandatory external quality  
538.32 review activities. The information used must satisfy Code of Federal Regulations, part 42,  
538.33 section 438.360, paragraph (a).

539.1 (f) If the conditions in Code of Federal Regulations, part 42, section 438.362, are satisfied,  
539.2 the commissioner may accept the data, correspondence, information, and findings regarding  
539.3 the managed care organization's compliance with a Medicare quality review in lieu of  
539.4 performing an external quality review. For each managed care organization exempt from  
539.5 an external quality review, the commissioner shall obtain the most recent Medicare review  
539.6 findings or Medicare information from a private national accrediting organization that the  
539.7 Centers for Medicare and Medicaid Services approves and recognizes for Medicare  
539.8 Advantage Organization deeming.

539.9 (g) The qualified external quality review organization must produce an annual external  
539.10 quality review technical report in accordance with Code of Federal Regulations, part 42,  
539.11 section 438.364. The technical report must summarize findings on access and quality of  
539.12 care. The commissioner may revise the final external quality review technical report if there  
539.13 is evidence of error or omission. The final external quality review technical report must be  
539.14 published on the department's Web site by April 30 of each year and copies of the report  
539.15 must be made available upon request and in alternative formats. Information in the technical  
539.16 report must not disclose the identity or other protected patient identifying health information.

539.17 **Sec. 7. [256B.6928] MANAGED CARE RATES AND PAYMENTS.**

539.18 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have  
539.19 the meanings given them.

539.20 (b) "Base amount" has the meaning given in Code of Federal Regulations, part 42, section  
539.21 438.6, paragraph (a).

539.22 (c) "Budget neutral" has the meaning given in Code of Federal Regulations, part 42,  
539.23 section 438.5, paragraph (a).

539.24 (d) "Credibility adjustment" has the meaning given in Code of Federal Regulations, part  
539.25 42, section 438.8, paragraph (b).

539.26 (e) "Full credibility" has the meaning given in Code of Federal Regulations, part 42,  
539.27 section 438.8, paragraph (b).

539.28 (f) "Incentive arrangement" has the meaning given in Code of Federal Regulations, part  
539.29 42, section 438.6.

539.30 (g) "Medical loss ratio" has the meaning given in Code of Federal Regulations, part 42,  
539.31 section 438.8, paragraph (b).



540.1 (h) "Medical loss ratio reporting year" has the meaning given in Code of Federal  
540.2 Regulations, part 42, section 438.8, paragraph (b).

540.3 (i) "Member months" has the meaning given in Code of Federal Regulations, part 42,  
540.4 section 438.8, paragraph (b).

540.5 (j) "No credibility" has the meaning given in Code of Federal Regulations, part 42,  
540.6 section 438.8, paragraph (b).

540.7 (k) "Partial credibility" has the meaning given in Code of Federal Regulations, part 42,  
540.8 section 438.8, paragraph (b).

540.9 (l) "Pass-through payment" has the meaning given in Code of Federal Regulations, part  
540.10 42, section 438.6, paragraph (a).

540.11 (m) "Rate cell" has the meaning given in Code of Federal Regulations, part 42, section  
540.12 438.2.

540.13 (n) "Risk adjustment" has the meaning given in Code of Federal Regulations, part 42,  
540.14 section 438.5, paragraph (a).

540.15 Subd. 2. **Actuarial soundness.** (a) Capitation rates for managed care organizations must  
540.16 be reviewed and approved by the Centers for Medicare and Medicaid Services as actuarially  
540.17 sound. The capitation rates must be provided in the format and time frame required by Code  
540.18 of Federal Regulations, part 42, section 438.7. Capitation rates must:

540.19 (1) be developed in accordance with the rates standards in Code of Federal Regulations,  
540.20 part 42, section 438.5, and generally accepted actuarial principles and practices. Any proposed  
540.21 differences in capitation rates between covered populations must be based on valid rate  
540.22 development standards and not on the rate of federal financial participation associated with  
540.23 the covered populations;

540.24 (2) be appropriate for the populations covered and the services furnished under the  
540.25 contract;

540.26 (3) meet the requirements for availability of services, adequate capacity, and coordination  
540.27 and continuity of care in accordance with Code of Federal Regulations, part 42, sections  
540.28 438.206, 438.207, and 438.208;

540.29 (4) be specific to each rate cell under the contract, and must not cross-subsidize or be  
540.30 cross-subsidized by payments from any other rate cell;

540.31 (5) meet any special contract provisions in accordance with Code of Federal Regulations,  
540.32 part 42, section 438.6; and

541.1 (6) be developed to reasonably achieve a medical loss ratio standard of at least 85 percent  
541.2 for the rate year, or a higher minimum medical loss ratio if mandated by the commissioner,  
541.3 as long as the capitation rates are adequate for reasonable, appropriate, and attainable  
541.4 nonbenefit costs.

541.5 (b) An independent actuary must certify that the rates were developed in accordance  
541.6 with Code of Federal Regulations, part 42, section 438.3, paragraph (c), clause (1), item  
541.7 (ii), paragraph (e).

541.8 Subd. 3. **Rate development standards.** (a) In developing capitation rates, the  
541.9 commissioner shall:

541.10 (1) identify and develop base utilization and price data, including validated encounter  
541.11 data and audited financial reports received from the managed care organizations that  
541.12 demonstrate experience for the populations served by the managed care organizations, for  
541.13 the three most recent and complete years before the rating period;

541.14 (2) develop and apply reasonable trend factors, including cost and utilization, to base  
541.15 data that are developed from actual experience of the medical assistance population or a  
541.16 similar population according to generally accepted actuarial practices and principles;

541.17 (3) develop the nonbenefit component of the rate to account for reasonable expenses  
541.18 related to the managed care organization's administration; taxes; licensing and regulatory  
541.19 fees; contribution to reserves; risk margin; cost of capital and other operational costs  
541.20 associated with the managed care organization's provision of covered services to enrollees;

541.21 (4) consider the value of cost-sharing for rate development purposes, regardless of  
541.22 whether the managed care organization imposes the cost-sharing on the enrollee or the  
541.23 cost-sharing is collected by the provider;

541.24 (5) make appropriate and reasonable adjustments to account for changes to the base data,  
541.25 programmatic changes, changes to nonbenefit components, and any other adjustment  
541.26 necessary to establish actuarially sound rates. Each adjustment must reasonably support the  
541.27 development of an accurate base data set for purposes of rate setting, reflect the health status  
541.28 of the enrolled population, and be developed in accordance with generally accepted actuarial  
541.29 principles and practices;

541.30 (6) consider the managed care organization's past medical loss ratio in the development  
541.31 of the capitation rates and consider the projected medical loss ratio; and



542.1 (7) select a prospective or retrospective risk adjustment methodology that must be  
542.2 developed in a budget-neutral manner consistent with generally accepted actuarial principles  
542.3 and practices.

542.4 (b) The base data must be derived from the medical assistance population or, if data on  
542.5 the medical assistance population is not available, derived from a similar population and  
542.6 adjusted to make the utilization and price data comparable to the medical assistance  
542.7 population. Data must be in accordance with actuarial standards for data quality and an  
542.8 explanation of why that specific data is used must be provided in the rate certification. If  
542.9 the commissioner is unable to base the rates on data that are within the three most recent  
542.10 and complete years before the rating period, the commissioner may request an approval  
542.11 from the Centers for Medicare and Medicaid Services for an exception. The request must  
542.12 describe why an exception is necessary and describe the actions that the commissioner  
542.13 intends to take to comply with the request.

542.14 Subd. 4. **Special contract requirements related to payment.** (a) If the commissioner  
542.15 uses risk-sharing mechanisms, including reinsurance, risk corridors, or stop-loss limits, the  
542.16 risk-sharing mechanism must be described in the contract, and must be developed according  
542.17 to the rate development standards and generally accepted actuarial principles and practices.

542.18 (b) The commissioner may utilize incentive payment arrangements in managed care  
542.19 organization contracts. Any incentive arrangement utilized by the commissioner must be  
542.20 made available to all managed care organizations under contract with the commissioner  
542.21 under the same terms of performance. The payment must not exceed 105 percent of the  
542.22 approved capitation payments attributable to the enrollees or services covered by the incentive  
542.23 arrangement and must be actuarially sound. For all incentive arrangements the contract  
542.24 must state that the arrangement is:

542.25 (1) for a fixed period of time and performance is measured during the rating period in  
542.26 which the incentive arrangement is applied;

542.27 (2) not renewed automatically; and

542.28 (3) associated with specified activities, targets, performance measures, or quality-based  
542.29 outcomes in the quality strategy described under section 256B.6927.

542.30 The incentive payment arrangement must not condition a managed care organization's  
542.31 participation in the incentive arrangement upon entering into or adhering to an  
542.32 intergovernmental transfer agreement.

543.1 (c) The commissioner may utilize withhold arrangements in managed care organization  
543.2 contracts. Any withhold arrangement utilized by the commissioner must be applied to all  
543.3 managed care organizations under contract with the commissioner under the same terms of  
543.4 performance. Any withhold arrangement must ensure that the capitation payment minus  
543.5 any portion of the withheld funds that is not reasonably achievable is actuarially sound. The  
543.6 total amount of the withheld funds, achievable or not, must be reasonable and must take  
543.7 into consideration each managed care organization's financial operating needs, accounting  
543.8 for the size and characteristics of the populations covered under the contract, as well as the  
543.9 managed care organization's capital reserves, as measured by the risk based capital level,  
543.10 months of claims reserve, or other appropriate measure of reserves. The data, assumptions,  
543.11 and methodologies used to determine the portion of the withhold that is reasonably achievable  
543.12 must be submitted as part of the documentation required by Code of Federal Regulations,  
543.13 part 42, section 438.7, paragraph (b), clause (6). For all withhold arrangements, the contract  
543.14 must state that the arrangement is:

543.15 (1) for a fixed period of time and performance is measured during the rating period in  
543.16 which the withhold arrangement is applied;

543.17 (2) not renewed automatically; and

543.18 (3) associated with specified activities, targets, performance measures, or quality-based  
543.19 outcomes in the state's quality strategy.

543.20 The withhold payment arrangement must not condition a managed care organization's  
543.21 participation in the withhold arrangement upon entering into or adhering to an  
543.22 intergovernmental transfer agreement.

543.23 Subd. 5. **Direction of managed care organization expenditures.** (a) The commissioner  
543.24 shall not direct managed care organizations expenditures under the managed care contract,  
543.25 except in the following situations:

543.26 (1) implementation of a value-based purchasing model for provider reimbursement,  
543.27 including pay-for-performance arrangements, bundled payments, or other service payments  
543.28 intended to recognize value or outcomes over volume of services;

543.29 (2) participation in a multipayer or medical assistance-specific delivery system reform  
543.30 or performance improvement initiative; or

543.31 (3) implementation of a minimum or maximum fee schedule, or a uniform dollar or  
543.32 percentage increase for network providers that provide a particular service. The maximum



544.1 fee schedule must allow the managed care organization the ability to reasonably manage  
544.2 risk and provide discretion in accomplishing the goals of the contract.

544.3 (b) Any managed care contract that directs managed care organization expenditures as  
544.4 permitted under paragraph (a), clauses (1) to (3), must be developed in accordance with  
544.5 Code of Federal Regulations, part 42, sections 438.4 and 438.5; comply with actuarial  
544.6 soundness and generally accepted actuarial principles and practices; and have written  
544.7 approval from the Centers for Medicare and Medicaid Services before implementation. To  
544.8 obtain approval, the commissioner shall demonstrate in writing that the contract arrangement:

544.9 (1) is based on the utilization and delivery of services;

544.10 (2) directs expenditures equally, using the same terms of performance for a class of  
544.11 providers providing service under the contract;

544.12 (3) is intended to advance at least one of the goals and objectives in the commissioner's  
544.13 quality strategy;

544.14 (4) has an evaluation plan that measures the degree to which the arrangement advances  
544.15 at least one of the goals in the commissioner's quality strategy;

544.16 (5) does not condition network provider participation on the network provider entering  
544.17 into or adhering to an intergovernmental transfer agreement; and

544.18 (6) is not renewed automatically.

544.19 (c) For contract arrangements identified in paragraph (a), clauses (1) and (2), the  
544.20 commissioner shall:

544.21 (1) make participation in the value-based purchasing model, special delivery system  
544.22 reform, or performance improvement initiative available, using the same terms of  
544.23 performance, to a class of providers providing services under the contract related to the  
544.24 model, reform, or initiative; and

544.25 (2) use a common set of performance measures across all payers and providers.

544.26 (d) The commissioner shall not set the amount or frequency of the expenditures or recoup  
544.27 from the managed care organization any unspent funds allocated for these arrangements.

544.28 Subd. 6. **Monthly capitation payments for placements in institutions of mental**  
544.29 **disease.** The commissioner may make a monthly capitation payment to a managed care  
544.30 organization for an enrollee under the age of 65 receiving treatment for psychiatric or  
544.31 substance use disorder in an institution for mental diseases in accordance with Code of  
544.32 Federal Regulations, part 42, section 438.6, paragraph (e).

545.1 Subd. 7. Rate certification submission. (a) The commissioner shall submit the rate  
545.2 certifications to the Centers for Medicare and Medicaid Services for review and approval  
545.3 at the same time as the managed care contracts. The rate certification must satisfy Code of  
545.4 Federal Regulations, part 42, section 438.7, paragraph (b), and must include:

- 545.5 (1) base data used in the rate setting process;  
545.6 (2) trend, including changes in the utilization and the price of services;  
545.7 (3) the nonbenefit component of the rate;  
545.8 (4) any adjustments;  
545.9 (5) the prospective and retrospective risk adjustment methodology; and  
545.10 (6) any special contract provisions related to payment.

545.11 (b) The commissioner, through the state's actuary, must certify the final capitation rates  
545.12 paid per rate cell under each contract and document the underlying data, assumptions and  
545.13 methodologies.

545.14 (c) The commissioner may pay a managed care organization a capitation rate under a  
545.15 managed care contract that is different than the capitation rate paid to another managed care  
545.16 organization, if each capitation rate per rate cell that is paid is independently developed and  
545.17 set in accordance with Code of Federal Regulations, part 42, sections 438.4, 438.5, 438.6,  
545.18 and 438.8. The commissioner may increase or decrease the capitation rate per rate cell in  
545.19 accordance with Code of Federal Regulations, part 42, sections 438.4, paragraph (b), clause  
545.20 (4), and 438.7, paragraph (c), up to 1.5 percent without submitting a revised rate certification.

545.21 (d) If the commissioner determines that a retroactive adjustment to the capitation rate  
545.22 is necessary, the retroactive adjustment must be supported by a rationale for the adjustment  
545.23 and the data. Assumptions and methodologies used to develop the adjustment must be  
545.24 described with enough detail to allow the Centers for Medicare and Medicaid Services or  
545.25 an actuary to determine the reasonableness of the adjustment. Any retroactive adjustments  
545.26 must be certified by an actuary in a revised rate certification and submitted to the Centers  
545.27 for Medicare and Medicaid Services for approval as a contract amendment. All adjustments  
545.28 are subject to timely federal claim filing requirements.

545.29 (e) The commissioner shall, upon request from the Centers for Medicare and Medicaid  
545.30 Services, provide additional information if the Centers for Medicare and Medicaid Services  
545.31 determines the information is pertinent to certification approval. The commissioner shall  
545.32 identify whether the additional information shall be provided by the commissioner, the  
545.33 actuary, or another party.



546.1 Subd. 8. **Medical loss ratio.** (a) The commissioner shall require that each managed care  
546.2 organization calculate and submit to the commissioner a medical loss ratio report for each  
546.3 contract year. The calculation of the medical loss ratio in the medical loss ratio reporting  
546.4 year must be the ratio of the numerator to the denominator. The numerator must be the sum  
546.5 of the managed care organization's incurred claims, the managed care organization's  
546.6 expenditures for activities that improve health care quality, and fraud prevention activities.  
546.7 The denominator must be calculated as the managed care organization's adjusted premium  
546.8 revenue minus the managed care organization's federal, state, and local taxes and licensing  
546.9 and regulatory fees identified in Code of Federal Regulations, part 42, section 438.8,  
546.10 paragraph (f), clause (3). The total amount of the denominator for a managed care  
546.11 organization that is assumed by another managed care organization must be reported by the  
546.12 assuming managed care organization for the entire medical loss ratio reporting year. The  
546.13 managed care organization must aggregate the data for all eligibility groups covered under  
546.14 the contract, unless the commissioner requires separate reporting and a separate medical  
546.15 loss ratio calculation for specific populations.

546.16 (b) Incurred claims must be identified by the expenditures, liabilities, reserves, deductions,  
546.17 and exclusions in accordance with Code of Federal Regulations, part 42, section 438.8,  
546.18 paragraph (e), clause (2).

546.19 (c) Activities that improve health care quality must be in one category in accordance  
546.20 with Code of Federal Regulations, part 42, section 438.8, paragraph (e), clause (3).

546.21 (d) Fraud prevention activities, including managed care organization expenditures on  
546.22 activities related to fraud prevention must be identified in accordance with Code of Federal  
546.23 Regulations, part 45, section 158.

546.24 (e) Premium revenue must include capitation payments; onetime payments for specific  
546.25 life events of enrollees; other payments to the managed care organization in accordance  
546.26 with Code of Federal Regulations, part 42, section 438.6, paragraph (b), clause (3); unpaid  
546.27 cost-sharing amounts; and changes to unearned premium reserves, net payments, and receipts  
546.28 related to risk-sharing mechanisms.

546.29 (f) When calculating the medical loss ratio, each expense must be included under only  
546.30 one type of expense, unless a portion of the expense fits under the definition of, or criteria  
546.31 for, one type of expense and the remainder fits into a different type of expense, in which  
546.32 case the expense must be prorated between types of expenses. Expenditures that benefit  
546.33 multiple contracts or populations, or contracts other than those being reported, must be



547.1 reported on a pro rata basis. Expenses must be allocated using the methods described in  
547.2 Code of Federal Regulations, part 42, section 438.8, paragraph (g), clause (2).

547.3 (g) The commissioner may require the managed care organization to provide a remittance  
547.4 if the medical loss ratio for the medical loss ratio reporting year does not meet the minimum  
547.5 medical loss ratio standard of 85 percent, or if applicable, a higher ratio mandated by the  
547.6 commissioner.

547.7 Subd. 9. **Reports.** (a) The commissioner shall require each managed care organization  
547.8 to submit a report to the commissioner for each medical loss ratio reporting year that includes  
547.9 the information identified in Code of Federal Regulations, part 42, section 438.8, paragraph  
547.10 (k). The report must be submitted within 12 months of the end of each medical loss ratio  
547.11 reporting year. The managed care organization must require any third-party vendor providing  
547.12 claims adjudication to provide all underlying data associated with medical loss ratio reporting  
547.13 to the managed care organization within 180 days of the end of the medical loss ratio  
547.14 reporting year or within 30 days of being requested by the managed care organization to  
547.15 calculate and validate the accuracy of medical loss ratio reporting. The managed care  
547.16 organization must include with the medical loss ratio report an attestation as to the accuracy  
547.17 of the calculation of the medical loss ratio.

547.18 (b) The commissioner shall annually submit to the Centers for Medicare and Medicaid  
547.19 Services a summary description of the reports received from the managed care organizations  
547.20 in accordance with Code of Federal Regulations, part 42, section 438.8, paragraph (k), along  
547.21 with the rate certification required under subdivision 7. At a minimum, the summary  
547.22 description must include for the medical loss ratio report reporting year, the amount of the  
547.23 numerator, the amount of the denominator, the medical loss ratio percentage achieved, the  
547.24 number of member months, and any remittances owed. If through the contract the  
547.25 commissioner requires the managed care organization to pay remittances for not meeting  
547.26 the minimum medical loss ratio, the commissioner must reimburse the Centers for Medicare  
547.27 and Medicaid Services the federal share that reflects any differences in the federal matching  
547.28 rate. If a remittance is owed, the commissioner shall submit with the required report a  
547.29 separate report describing the methodology used to determine the state and federal shares  
547.30 of the remittance.

547.31 (c) If the commissioner makes a retroactive change to the capitation payments for a  
547.32 medical loss ratio reporting year for which the report was already submitted to the  
547.33 commissioner, the managed care organization shall recalculate the medical loss ratio for  
547.34 that year and submit a new report meeting the reporting requirements under paragraph (a).



548.1 (d) The commissioner may exempt a newly contracted managed care organization from  
548.2 calculating and reporting the medical loss ratio for the first year of the managed care  
548.3 organization's operation as required under this subdivision. If a managed care organization  
548.4 is excluded, the managed care organization must comply with the requirements of this  
548.5 section during the next medical loss ratio reporting year.

548.6 **ARTICLE 16**

548.7 **CHILD CARE DEVELOPMENT BLOCK GRANT COMPLIANCE**

548.8 Section 1. Minnesota Statutes 2016, section 245A.04, subdivision 4, is amended to read:

548.9 Subd. 4. **Inspections; waiver.** (a) Before issuing an initial license, the commissioner  
548.10 shall conduct an inspection of the program. The inspection must include but is not limited  
548.11 to:

548.12 (1) an inspection of the physical plant;

548.13 (2) an inspection of records and documents;

548.14 (3) an evaluation of the program by consumers of the program; ~~and~~

548.15 (4) observation of the program in operation; and

548.16 (5) an inspection for the health, safety, and fire standards in licensing requirements for  
548.17 a child care license holder.

548.18 For the purposes of this subdivision, "consumer" means a person who receives the  
548.19 services of a licensed program, the person's legal guardian, or the parent or individual having  
548.20 legal custody of a child who receives the services of a licensed program.

548.21 (b) The evaluation required in paragraph (a), clause (3) or the observation in paragraph  
548.22 (a), clause (4) is not required prior to issuing an initial license under subdivision 7. If the  
548.23 commissioner issues an initial license under subdivision 7, these requirements must be  
548.24 completed within one year after the issuance of an initial license.

548.25 (c) The commissioner or the county shall inspect at least annually a child care provider  
548.26 licensed under this chapter and Minnesota Rules, chapter 9502 or 9503, for compliance  
548.27 with applicable licensing standards.

548.28 (d) No later than November 19, 2017, the commissioner shall make publicly available  
548.29 on the department's Web site the results of inspection reports of all child care providers  
548.30 licensed under this chapter and under Minnesota Rules, chapter 9502 or 9503, and the

549.1 number of deaths, serious injuries, and instances of substantiated child maltreatment that  
549.2 occurred in licensed child care settings each year.

549.3 **EFFECTIVE DATE.** This section is effective August 1, 2017.

549.4 Sec. 2. Minnesota Statutes 2016, section 245A.09, subdivision 7, is amended to read:

549.5 Subd. 7. **Regulatory methods.** (a) Where appropriate and feasible the commissioner  
549.6 shall identify and implement alternative methods of regulation and enforcement to the extent  
549.7 authorized in this subdivision. These methods shall include:

549.8 (1) expansion of the types and categories of licenses that may be granted;

549.9 (2) when the standards of another state or federal governmental agency or an independent  
549.10 accreditation body have been shown to require the same standards, methods, or alternative  
549.11 methods to achieve substantially the same intended outcomes as the licensing standards,  
549.12 the commissioner shall consider compliance with the governmental or accreditation standards  
549.13 to be equivalent to partial compliance with the licensing standards; and

549.14 (3) use of an abbreviated inspection that employs key standards that have been shown  
549.15 to predict full compliance with the rules.

549.16 (b) If the commissioner accepts accreditation as documentation of compliance with a  
549.17 licensing standard under paragraph (a), the commissioner shall continue to investigate  
549.18 complaints related to noncompliance with all licensing standards. The commissioner may  
549.19 take a licensing action for noncompliance under this chapter and shall recognize all existing  
549.20 appeal rights regarding any licensing actions taken under this chapter.

549.21 (c) The commissioner shall work with the commissioners of health, public safety,  
549.22 administration, and education in consolidating duplicative licensing and certification rules  
549.23 and standards if the commissioner determines that consolidation is administratively feasible,  
549.24 would significantly reduce the cost of licensing, and would not reduce the protection given  
549.25 to persons receiving services in licensed programs. Where administratively feasible and  
549.26 appropriate, the commissioner shall work with the commissioners of health, public safety,  
549.27 administration, and education in conducting joint agency inspections of programs.

549.28 (d) The commissioner shall work with the commissioners of health, public safety,  
549.29 administration, and education in establishing a single point of application for applicants  
549.30 who are required to obtain concurrent licensure from more than one of the commissioners  
549.31 listed in this clause.



550.1 (e) Unless otherwise specified in statute, the commissioner may conduct routine  
550.2 inspections biennially.

550.3 (f) For a licensed child care center, the commissioner shall conduct one unannounced  
550.4 licensing inspection at least annually.

550.5 **EFFECTIVE DATE.** This section is effective August 1, 2017.

550.6 Sec. 3. Minnesota Statutes 2016, section 245A.10, subdivision 2, is amended to read:

550.7 Subd. 2. **County fees for background studies and licensing inspections.** (a) Before  
550.8 the implementation of NETStudy 2.0, for purposes of family and group family child care  
550.9 licensing under this chapter, a county agency may charge a fee to an applicant or license  
550.10 holder to recover the actual cost of background studies, but in any case not to exceed \$100  
550.11 annually. A county agency may also charge a license fee to an applicant or license holder  
550.12 not to exceed \$50 for a one-year license or \$100 for a two-year license.

550.13 (b) Before the implementation of NETStudy 2.0, a county agency may charge a fee to  
550.14 a legal nonlicensed child care provider or applicant for authorization to recover the actual  
550.15 cost of background studies completed under section 119B.125, but in any case not to exceed  
550.16 \$100 annually.

550.17 (c) Counties may elect to reduce or waive the fees in paragraph (a) or (b):

550.18 (1) in cases of financial hardship;

550.19 (2) if the county has a shortage of providers in the county's area;

550.20 (3) for new providers; or

550.21 (4) for providers who have attained at least 16 hours of training before seeking initial  
550.22 licensure.

550.23 (d) Counties may allow providers to pay the applicant fees in paragraph (a) or (b) on an  
550.24 installment basis for up to one year. If the provider is receiving child care assistance payments  
550.25 from the state, the provider may have the fees under paragraph (a) or (b) deducted from the  
550.26 child care assistance payments for up to one year and the state shall reimburse the county  
550.27 for the county fees collected in this manner.

550.28 (e) For purposes of adult foster care and child foster care licensing, and licensing the  
550.29 physical plant of a community residential setting, under this chapter, a county agency may  
550.30 charge a fee to a corporate applicant or corporate license holder to recover the actual cost  
550.31 of licensing inspections, not to exceed \$500 annually.

551.1 (f) Counties may elect to reduce or waive the fees in paragraph (e) under the following  
551.2 circumstances:

551.3 (1) in cases of financial hardship;

551.4 (2) if the county has a shortage of providers in the county's area; or

551.5 (3) for new providers.

551.6 **EFFECTIVE DATE.** This section is effective August 1, 2017.

551.7 Sec. 4. Minnesota Statutes 2016, section 245A.14, is amended by adding a subdivision to  
551.8 read:

551.9 **Subd. 15. Parental access in child care programs.** An enrolled child's parent or legal  
551.10 guardian must be allowed access to the parent's or legal guardian's child any time while the  
551.11 child is in care.

551.12 **EFFECTIVE DATE.** This section is effective August 1, 2017.

551.13 Sec. 5. Minnesota Statutes 2016, section 245A.16, subdivision 1, is amended to read:

551.14 Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private  
551.15 agencies that have been designated or licensed by the commissioner to perform licensing  
551.16 functions and activities under section 245A.04 and background studies for family child care  
551.17 under chapter 245C; to recommend denial of applicants under section 245A.05; to issue  
551.18 correction orders, to issue variances, and recommend a conditional license under section  
551.19 245A.06; or to recommend suspending or revoking a license or issuing a fine under section  
551.20 245A.07, shall comply with rules and directives of the commissioner governing those  
551.21 functions and with this section. The following variances are excluded from the delegation  
551.22 of variance authority and may be issued only by the commissioner:

551.23 (1) dual licensure of family child care and child foster care, dual licensure of child and  
551.24 adult foster care, and adult foster care and family child care;

551.25 (2) adult foster care maximum capacity;

551.26 (3) adult foster care minimum age requirement;

551.27 (4) child foster care maximum age requirement;

551.28 (5) variances regarding disqualified individuals except that, before the implementation  
551.29 of NETStudy 2.0, county agencies may issue variances under section 245C.30 regarding  
551.30 disqualified individuals when the county is responsible for conducting a consolidated



552.1 reconsideration according to sections 245C.25 and 245C.27, subdivision 2, clauses (a) and  
552.2 (b), of a county maltreatment determination and a disqualification based on serious or  
552.3 recurring maltreatment;

552.4 (6) the required presence of a caregiver in the adult foster care residence during normal  
552.5 sleeping hours; and

552.6 (7) variances to requirements relating to chemical use problems of a license holder or a  
552.7 household member of a license holder.

552.8 Except as provided in section 245A.14, subdivision 4, paragraph (e), a county agency must  
552.9 not grant a license holder a variance to exceed the maximum allowable family child care  
552.10 license capacity of 14 children.

552.11 (b) Before the implementation of NETStudy 2.0, county agencies must report information  
552.12 about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision  
552.13 2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the  
552.14 commissioner at least monthly in a format prescribed by the commissioner.

552.15 (c) For family ~~day~~ child care programs, the commissioner ~~may authorize~~ shall require  
552.16 a county agency to conduct one unannounced licensing reviews every two years after a  
552.17 licensee has had at least one annual review at least annually.

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

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

552.21 (f) During implementation of chapter 245D, the commissioner shall consider:

552.22 (1) the role of counties in quality assurance;

552.23 (2) the duties of county licensing staff; and

552.24 (3) the possible use of joint powers agreements, according to section 471.59, with counties  
552.25 through which some licensing duties under chapter 245D may be delegated by the  
552.26 commissioner to the counties.

552.27 Any consideration related to this paragraph must meet all of the requirements of the corrective  
552.28 action plan ordered by the federal Centers for Medicare and Medicaid Services.

552.29 (g) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or  
552.30 successor provisions; and section 245D.061 or successor provisions, for family child foster  
552.31 care programs providing out-of-home respite, as identified in section 245D.03, subdivision

553.1 1, paragraph (b), clause (1), is excluded from the delegation of authority to county and  
553.2 private agencies.

553.3 (h) A county agency shall report to the commissioner, in a manner prescribed by the  
553.4 commissioner, the following information for a licensed family child care program:

553.5 (1) the results of each licensing review completed, including the date of the review, any  
553.6 licensing correction order issued; and

553.7 (2) any death, serious injury, or determination of substantiated maltreatment.

553.8 **EFFECTIVE DATE.** This section is effective August 1, 2017.

553.9 Sec. 6. Minnesota Statutes 2016, section 245A.16, is amended by adding a subdivision to  
553.10 read:

553.11 **Subd. 7. Family child care licensing oversight.** Only county staff trained by the  
553.12 commissioner on the family child care licensing standards in this chapter and Minnesota  
553.13 Rules, chapter 9502, shall perform family child care licensing functions under subdivision  
553.14 1. Training must occur within 90 days of a staff person's employment.

553.15 **EFFECTIVE DATE.** This section is effective August 1, 2017.

553.16 Sec. 7. Minnesota Statutes 2016, section 245A.40, subdivision 1, is amended to read:

553.17 Subdivision 1. **Orientation.** The child care center license holder must ensure that every  
553.18 staff person and volunteer is given orientation training and successfully completes the  
553.19 training before starting assigned duties. The orientation training in this subdivision applies  
553.20 to volunteers who will have direct contact with or access to children and who are not under  
553.21 the direct supervision of a staff person. Completion of the orientation must be documented  
553.22 in the individual's personnel record. The orientation training must include information about:

553.23 (1) the center's philosophy, child care program, and procedures for maintaining health  
553.24 and safety according to section 245A.41 and Minnesota Rules, part 9503.0140, and handling  
553.25 emergencies and accidents according to Minnesota Rules, part 9503.0110;

553.26 (2) specific job responsibilities;

553.27 (3) the behavior guidance standards in Minnesota Rules, part 9503.0055; and

553.28 (4) the reporting responsibilities in section 626.556, and Minnesota Rules, part 9503.0130.

553.29 **EFFECTIVE DATE.** This section is effective August 1, 2017.



554.1 Sec. 8. Minnesota Statutes 2016, section 245A.40, subdivision 2, is amended to read:

554.2 Subd. 2. **Child ~~growth and development and learning~~ training.** (a) For purposes of  
554.3 child care centers, the director and all staff hired after July 1, 2006, shall complete and  
554.4 document at least two hours of child ~~growth and development and learning~~ training within  
554.5 the first year 90 days of employment. For purposes of this subdivision, "child ~~growth and~~  
554.6 ~~development and learning~~ training" means training in understanding how children acquire  
554.7 ~~language and develop~~ physically, cognitively, emotionally, and socially and learn as part  
554.8 of the children's family, culture, and community. Training completed under this subdivision  
554.9 may be used to meet ~~the orientation training requirements under subdivision 1 and the~~  
554.10 in-service training requirements under subdivision 7.

554.11 (b) Notwithstanding paragraph (a), individuals are exempt from this requirement if they:

554.12 (1) have taken a three-credit college course on early childhood development within the  
554.13 past five years;

554.14 (2) have received a baccalaureate or master's degree in early childhood education or  
554.15 school-age child care within the past five years;

554.16 (3) are licensed in Minnesota as a prekindergarten teacher, an early childhood educator,  
554.17 a kindergarten to sixth grade teacher with a prekindergarten specialty, an early childhood  
554.18 special education teacher, or an elementary teacher with a kindergarten endorsement; or

554.19 (4) have received a baccalaureate degree with a Montessori certificate within the past  
554.20 five years.

554.21 **EFFECTIVE DATE.** This section is effective August 1, 2017.

554.22 Sec. 9. Minnesota Statutes 2016, section 245A.40, subdivision 3, is amended to read:

554.23 Subd. 3. **First aid.** (a) All teachers and assistant teachers in a child care center governed  
554.24 by Minnesota Rules, parts 9503.0005 to 9503.0170, and at least one staff person during  
554.25 field trips and when transporting children in care, must satisfactorily complete pediatric  
554.26 first aid training within 90 days of the start of work, unless the training has been completed  
554.27 within the previous ~~three~~ two years.

554.28 (b) Notwithstanding paragraph (a), which allows 90 days to complete training, at least  
554.29 one staff person who has satisfactorily completed pediatric first aid training must be present  
554.30 at all times in the center, during field trips, and when transporting children in care.

554.31 (c) The pediatric first aid training must be repeated at least every ~~three~~ two years,  
554.32 documented in the person's personnel record and indicated on the center's staffing chart,

555.1 and provided by an individual approved as a first aid instructor. This training may be less  
555.2 than eight hours.

555.3 **EFFECTIVE DATE.** This section is effective August 1, 2017.

555.4 Sec. 10. Minnesota Statutes 2016, section 245A.40, subdivision 4, is amended to read:

555.5 Subd. 4. **Cardiopulmonary resuscitation.** (a) All teachers and assistant teachers in a  
555.6 child care center governed by Minnesota Rules, parts 9503.0005 to 9503.0170, and at least  
555.7 one staff person during field trips and when transporting children in care, must satisfactorily  
555.8 complete training in cardiopulmonary resuscitation (CPR) that includes CPR techniques  
555.9 for infants and children and in the treatment of obstructed airways. The CPR training must  
555.10 be completed within 90 days of the start of work, unless the training has been completed  
555.11 within the previous ~~three~~ two years. The CPR training must have been provided by an  
555.12 individual approved to provide CPR instruction, must be repeated at least once every ~~three~~  
555.13 two years, and must be documented in the staff person's records.

555.14 (b) Notwithstanding paragraph (a), which allows 90 days to complete training, at least  
555.15 one staff person who has satisfactorily completed cardiopulmonary resuscitation training  
555.16 must be present at all times in the center, during field trips, and when transporting children  
555.17 in care.

555.18 (c) CPR training may be provided for less than four hours.

555.19 (d) Persons providing CPR training must use CPR training that has been developed:

555.20 (1) by the American Heart Association or the American Red Cross and incorporates  
555.21 psychomotor skills to support the instruction; or

555.22 (2) using nationally recognized, evidence-based guidelines for CPR and incorporates  
555.23 psychomotor skills to support the instruction.

555.24 **EFFECTIVE DATE.** This section is effective August 1, 2017.

555.25 Sec. 11. Minnesota Statutes 2016, section 245A.40, subdivision 7, is amended to read:

555.26 Subd. 7. **In-service.** (a) A license holder must ensure that ~~an annual in-service training~~  
555.27 ~~plan is developed and carried out and that it meets the requirements in clauses (1) to (7):~~  
555.28 ~~The in-service training plan must:~~ the center director and all staff who have direct contact  
555.29 with a child complete annual in-service training. In-service training requirements must be  
555.30 met by a staff person's participation in the following training areas:

555.31 ~~(1) be consistent with the center's child care program plan;~~



- 556.1 ~~(2) meet the training needs of individual staff persons as specified in each staff person's~~  
556.2 ~~annual evaluation report;~~
- 556.3 ~~(3) provide training, at least one-fourth of which is by a resource not affiliated with the~~  
556.4 ~~license holder;~~
- 556.5 ~~(4) include Minnesota Rules, parts 9503.0005 to 9503.0170, relevant to the staff person's~~  
556.6 ~~position and must occur within two weeks of initial employment;~~
- 556.7 ~~(5) provide that at least one-half of the annual in-service training completed by a staff~~  
556.8 ~~person each year pertains to the age of children for which the person is providing care;~~
- 556.9 ~~(6) provide that no more than four hours of each annual in-service training requirement~~  
556.10 ~~relate to administration, finances, and records training for a teacher, assistant teacher, or~~  
556.11 ~~aide; and~~
- 556.12 ~~(7) provide that the remainder of the in-service training requirement be met by~~  
556.13 ~~participation in training in child growth and development; learning environment and~~  
556.14 ~~curriculum; assessment and planning for individual needs; interactions with children; families~~  
556.15 ~~and communities; health, safety, and nutrition; and program planning and evaluation.~~
- 556.16 (1) child development and learning;
- 556.17 (2) developmentally appropriate learning experiences;
- 556.18 (3) relationships with families;
- 556.19 (4) assessment, evaluation, and individualization;
- 556.20 (5) historical and contemporary development of early childhood education;
- 556.21 (6) professionalism; and
- 556.22 (7) health, safety, and nutrition.
- 556.23 (b) For purposes of this subdivision, the following terms have the meanings given them.
- 556.24 (1) "Child ~~growth and development~~ and learning training" has the meaning given it in  
556.25 subdivision 2, paragraph (a).
- 556.26 (2) "Learning environment and curriculum" means training in establishing an environment  
556.27 ~~that provides learning experiences to meet each child's needs, capabilities, and interests,~~  
556.28 ~~including early childhood education methods or theory, recreation, sports, promoting~~  
556.29 ~~creativity in the arts, arts and crafts methods or theory, and early childhood special education~~  
556.30 ~~methods or theory.~~

557.1       (3) ~~"Assessment and planning for individual needs" means training in observing and~~  
557.2 ~~assessing what children know and can do in order to provide curriculum and instruction~~  
557.3 ~~that addresses their developmental and learning needs, including children with special needs.~~

557.4       (4) ~~"Interactions with children" means training in establishing supportive relationships~~  
557.5 ~~with children and guiding them as individuals and as part of a group, including child study~~  
557.6 ~~techniques and behavior guidance.~~

557.7       (5) ~~"Families and communities" means training in working collaboratively with families,~~  
557.8 ~~agencies, and organizations to meet children's needs and to encourage the community's~~  
557.9 ~~involvement, including family studies and parent involvement.~~

557.10      (6) ~~"Health, safety, and nutrition" means training in establishing and maintaining an~~  
557.11 ~~environment that ensures children's health, safety, and nourishment, including first aid,~~  
557.12 ~~cardiopulmonary resuscitation, child nutrition, and child abuse and neglect prevention.~~

557.13      (7) ~~"Program planning and evaluation" means training in establishing, implementing,~~  
557.14 ~~evaluating, and enhancing program operations.~~

557.15      (2) "Developmentally appropriate learning experiences" means creating positive learning  
557.16 experiences, promoting cognitive development, promoting social and emotional development,  
557.17 promoting physical development, and promoting creative development.

557.18      (3) "Relationships with families" means training on building a positive, respectful  
557.19 relationship with the child's family.

557.20      (4) "Assessment, evaluation, and individualization" means training in observing,  
557.21 recording, and assessing development; assessing and using information to plan; and assessing  
557.22 and using information to enhance and maintain program quality.

557.23      (5) "Historical and contemporary development of early childhood education" means  
557.24 training in past and current practices in early childhood education and how current events  
557.25 and issues affect children, families, and programs.

557.26      (6) "Professionalism" means training in knowledge, skills, and abilities that promote  
557.27 ongoing professional development.

557.28      (7) "Health, safety, and nutrition" means training in establishing health practices, ensuring  
557.29 safety, and providing healthy nutrition.

557.30      (c) The director and all program staff persons must annually complete a number of hours  
557.31 of in-service training equal to at least two percent of the hours for which the director or  
557.32 program staff person is annually paid, unless one of the following is applicable.



558.1 (1) A teacher at a child care center must complete one percent of working hours of  
558.2 in-service training annually if the teacher:

558.3 (i) possesses a baccalaureate or master's degree in early childhood education or school-age  
558.4 care;

558.5 (ii) is licensed in Minnesota as a prekindergarten teacher, an early childhood educator,  
558.6 a kindergarten to sixth grade teacher with a prekindergarten specialty, an early childhood  
558.7 special education teacher, or an elementary teacher with a kindergarten endorsement; or

558.8 (iii) possesses a baccalaureate degree with a Montessori certificate.

558.9 (2) A teacher or assistant teacher at a child care center must complete one and one-half  
558.10 percent of working hours of in-service training annually if the individual is:

558.11 (i) a registered nurse or licensed practical nurse with experience working with infants;

558.12 (ii) possesses a Montessori certificate, a technical college certificate in early childhood  
558.13 development, or a child development associate certificate; or

558.14 (iii) possesses an associate of arts degree in early childhood education, a baccalaureate  
558.15 degree in child development, or a technical college diploma in early childhood development.

558.16 (d) The number of required training hours may be prorated for individuals not employed  
558.17 full time or for an entire year.

558.18 (e) The annual in-service training must be completed within the calendar year for which  
558.19 it was required. In-service training completed by staff persons is transferable upon a staff  
558.20 person's change in employment to another child care program.

558.21 (f) The license holder must ensure that, when a staff person completes in-service training,  
558.22 the training is documented in the staff person's personnel record. The documentation must  
558.23 include the date training was completed, the goal of the training and topics covered, trainer's  
558.24 name and organizational affiliation, trainer's signed statement that training was successfully  
558.25 completed, and the director's approval of the training.

558.26 **EFFECTIVE DATE.** This section is effective August 1, 2017.

558.27 Sec. 12. Minnesota Statutes 2016, section 245A.40, is amended by adding a subdivision  
558.28 to read:

558.29 **Subd. 9. Ongoing health and safety training.** A staff person's orientation training on  
558.30 maintaining health and safety and handling emergencies and accidents, as required in

559.1 subdivision 1, must be repeated at least once each calendar year by each staff person. The  
559.2 completion of the annual training must be documented in the staff person's personnel record.

559.3 **EFFECTIVE DATE.** This section is effective August 1, 2017.

559.4 Sec. 13. **[245A.41] CHILD CARE CENTER HEALTH AND SAFETY**  
559.5 **REQUIREMENTS.**

559.6 Subdivision 1. **Allergy prevention and response.** (a) Before admitting a child for care,  
559.7 the license holder must obtain documentation of any known allergy from the child's parent  
559.8 or legal guardian or the child's source of medical care. If a child has a known allergy, the  
559.9 license holder must maintain current information about the allergy in the child's record and  
559.10 develop an individual child care program plan as specified in Minnesota Rules, part  
559.11 9503.0065, subpart 3. The individual child care program plan must include but not be limited  
559.12 to a description of the allergy, specific triggers, avoidance techniques, symptoms of an  
559.13 allergic reaction, and procedures for responding to an allergic reaction, including medication,  
559.14 dosages, and a doctor's contact information.

559.15 (b) The license holder must ensure that each staff person who is responsible for carrying  
559.16 out the individual child care program plan review and follow the plan. Documentation of a  
559.17 staff person's review must be kept on site.

559.18 (c) At least annually or following any changes made to allergy-related information in  
559.19 the child's record, the license holder must update the child's individual child care program  
559.20 plan and inform each staff person who is responsible for carrying out the individual child  
559.21 care program plan of the change. The license holder must keep on site documentation that  
559.22 a staff person was informed of a change.

559.23 (d) A child's allergy information must be available at all times including on site, when  
559.24 on field trips, or during transportation. A child's food allergy information must be readily  
559.25 available to a staff person in the area where food is prepared and served to the child.

559.26 (e) The license holder must contact the child's parent or legal guardian as soon as possible  
559.27 in any instance of exposure or allergic reaction that requires medication or medical  
559.28 intervention. The license holder must call emergency medical services when epinephrine  
559.29 is administered to a child in the license holder's care.

559.30 Subd. 2. **Handling and disposal of bodily fluids.** The licensed child care center must  
559.31 comply with the following procedures for safely handling and disposing of bodily fluids:



560.1 (1) surfaces that come in contact with potentially infectious bodily fluids, including  
560.2 blood and vomit, must be cleaned and disinfected according to Minnesota Rules, part  
560.3 9503.0005, subpart 11;

560.4 (2) blood-contaminated material must be disposed of in a plastic bag with a secure tie;

560.5 (3) sharp items used for a child with special care needs must be disposed of in a "sharps  
560.6 container." The sharps container must be stored out of reach of a child;

560.7 (4) the license holder must have the following bodily fluid disposal supplies in the center:  
560.8 disposable gloves, disposal bags, and eye protection; and

560.9 (5) the license holder must ensure that each staff person is trained on universal precautions  
560.10 to reduce the risk of spreading infectious disease. A staff person's completion of the training  
560.11 must be documented in the staff person's personnel record.

560.12 Subd. 3. **Emergency preparedness.** (a) No later than September 30, 2017, a licensed  
560.13 child care center must have a written emergency plan for emergencies that require evacuation,  
560.14 sheltering, or other protection of a child, such as fire, natural disaster, intruder, or other  
560.15 threatening situation that may pose a health or safety hazard to a child. The plan must be  
560.16 written on a form developed by the commissioner and must include:

560.17 (1) procedures for an evacuation, relocation, shelter-in-place, or lockdown;

560.18 (2) a designated relocation site and evacuation route;

560.19 (3) procedures for notifying a child's parent or legal guardian of the evacuation, relocation,  
560.20 shelter-in-place, or lockdown, including procedures for reunification with families;

560.21 (4) accommodations for a child with a disability or a chronic medical condition;

560.22 (5) procedures for storing a child's medically necessary medicine that facilitates easy  
560.23 removal during an evacuation or relocation;

560.24 (6) procedures for continuing operations in the period during and after a crisis; and

560.25 (7) procedures for communicating with local emergency management officials, law  
560.26 enforcement officials, or other appropriate state or local authorities.

560.27 (b) The license holder must train staff persons on the emergency plan at orientation,  
560.28 when changes are made to the plan, and at least once each calendar year. Training must be  
560.29 documented in each staff person's personnel file.

560.30 (c) The license holder must conduct drills according to the requirements in Minnesota  
560.31 Rules, part 9503.0110, subpart 3. The date and time of the drills must be documented.

561.1 (d) The license holder must review and update the emergency plan annually.  
561.2 Documentation of the annual emergency plan review shall be maintained in the program's  
561.3 administrative records.

561.4 (e) The license holder must include the emergency plan in the program's policies and  
561.5 procedures as specified under section 245A.04, subdivision 14. The license holder must  
561.6 provide a physical or electronic copy of the emergency plan to the child's parent or legal  
561.7 guardian upon enrollment.

561.8 (f) The relocation site and evacuation route must be posted in a visible place as part of  
561.9 the written procedures for emergencies and accidents in Minnesota Rules, part 9503.0140,  
561.10 subpart 21.

561.11 **EFFECTIVE DATE.** This section is effective August 1, 2017.

561.12 Sec. 14. Minnesota Statutes 2016, section 245A.50, subdivision 2, is amended to read:

561.13 Subd. 2. **Child growth and development and learning and behavior guidance**  
561.14 **training.** (a) For purposes of family and group family child care, the license holder and  
561.15 each adult caregiver who provides care in the licensed setting for more than 30 days in any  
561.16 12-month period shall complete and document at least four hours of child growth and  
561.17 ~~development~~ learning and behavior guidance training prior to initial licensure, and before  
561.18 caring for children. For purposes of this subdivision, "child ~~growth and development and~~  
561.19 learning training" means training in understanding how children ~~acquire language and~~  
561.20 develop physically, cognitively, emotionally, and socially and learn as part of the children's  
561.21 family, culture, and community. "Behavior guidance training" means training in the  
561.22 understanding of the functions of child behavior and strategies for managing challenging  
561.23 situations. At least two hours of child growth and development and learning or behavior  
561.24 guidance training must be repeated annually. Training curriculum shall be developed or  
561.25 approved by the commissioner of human services ~~by January 1, 2014.~~

561.26 (b) Notwithstanding paragraph (a), individuals are exempt from this requirement if they:

561.27 (1) have taken a three-credit course on early childhood development within the past five  
561.28 years;

561.29 (2) have received a baccalaureate or master's degree in early childhood education or  
561.30 school-age child care within the past five years;

561.31 (3) are licensed in Minnesota as a prekindergarten teacher, an early childhood educator,  
561.32 a kindergarten to grade 6 teacher with a prekindergarten specialty, an early childhood special  
561.33 education teacher, or an elementary teacher with a kindergarten endorsement; or



562.1 (4) have received a baccalaureate degree with a Montessori certificate within the past  
562.2 five years.

562.3 **EFFECTIVE DATE.** This section is effective August 1, 2017.

562.4 Sec. 15. Minnesota Statutes 2016, section 245A.50, subdivision 7, is amended to read:

562.5 Subd. 7. **Training requirements for family and group family child care.** For purposes  
562.6 of family and group family child care, the license holder and each primary caregiver must  
562.7 complete 16 hours of ongoing training each year. For purposes of this subdivision, a primary  
562.8 caregiver is an adult caregiver who provides services in the licensed setting for more than  
562.9 30 days in any 12-month period. Repeat of topical training requirements in subdivisions 2  
562.10 to 8 shall count toward the annual 16-hour training requirement. Additional ongoing training  
562.11 subjects to meet the annual 16-hour training requirement must be selected from the following  
562.12 areas:

562.13 (1) child ~~growth and development~~ and learning training under subdivision 2, paragraph  
562.14 (a);

562.15 ~~(2) learning environment and curriculum, including training in establishing an~~  
562.16 ~~environment and providing activities that provide learning experiences to meet each child's~~  
562.17 ~~needs, capabilities, and interests;~~

562.18 ~~(3) assessment and planning for individual needs, including training in observing and~~  
562.19 ~~assessing what children know and can do in order to provide curriculum and instruction~~  
562.20 ~~that addresses their developmental and learning needs, including children with special needs~~  
562.21 ~~and bilingual children or children for whom English is not their primary language;~~

562.22 ~~(4) interactions with children, including training in establishing supportive relationships~~  
562.23 ~~with children, guiding them as individuals and as part of a group;~~

562.24 ~~(5) families and communities, including training in working collaboratively with families~~  
562.25 ~~and agencies or organizations to meet children's needs and to encourage the community's~~  
562.26 ~~involvement;~~

562.27 ~~(6) health, safety, and nutrition, including training in establishing and maintaining an~~  
562.28 ~~environment that ensures children's health, safety, and nourishment, including child abuse,~~  
562.29 ~~maltreatment, prevention, and reporting; home and fire safety; child injury prevention;~~  
562.30 ~~communicable disease prevention and control; first aid; and CPR;~~

562.31 ~~(7) program planning and evaluation, including training in establishing, implementing,~~  
562.32 ~~evaluating, and enhancing program operations; and~~

563.1 ~~(8) behavior guidance, including training in the understanding of the functions of child~~  
563.2 ~~behavior and strategies for managing behavior.~~

563.3 (2) developmentally appropriate learning experiences, including training in creating  
563.4 positive learning experiences, promoting cognitive development, promoting social and  
563.5 emotional development, promoting physical development, promoting creative development;  
563.6 and behavior guidance;

563.7 (3) relationships with families, including training in building a positive, respectful  
563.8 relationship with the child's family;

563.9 (4) assessment, evaluation, and individualization, including training in observing,  
563.10 recording, and assessing development; assessing and using information to plan; and assessing  
563.11 and using information to enhance and maintain program quality;

563.12 (5) historical and contemporary development of early childhood education, including  
563.13 training in past and current practices in early childhood education and how current events  
563.14 and issues affect children, families, and programs;

563.15 (6) professionalism, including training in knowledge, skills, and abilities that promote  
563.16 ongoing professional development; and

563.17 (7) health, safety, and nutrition, including training in establishing healthy practices;  
563.18 ensuring safety; and providing healthy nutrition.

563.19 **EFFECTIVE DATE.** This section is effective August 1, 2017.

563.20 Sec. 16. Minnesota Statutes 2016, section 245A.50, subdivision 9, is amended to read:

563.21 Subd. 9. **Supervising for safety; training requirement.** Effective July 1, 2014 (a)  
563.22 Before initial licensure and before caring for a child, all family child care license holders  
563.23 and each adult caregiver who provides care in the licensed family child care home for more  
563.24 than 30 days in any 12-month period shall complete and document at least six hours of  
563.25 ~~approved training on supervising for safety prior to initial licensure, and before caring for~~  
563.26 ~~children. At least two hours of training on supervising for safety must be repeated annually.~~  
563.27 ~~For purposes of this subdivision, "supervising for safety" includes supervision basics,~~  
563.28 ~~supervision outdoors, equipment and materials, illness, injuries, and disaster preparedness.~~  
563.29 ~~The commissioner shall develop the supervising for safety curriculum by January 1, 2014.~~  
563.30 the completion of the six-hour Supervising for Safety for Family Child Care course developed  
563.31 by the commissioner.



564.1 (b) The family child care license holder and each adult caregiver who provides care in  
564.2 the licensed family child care home for more than 30 days in any 12-month period shall  
564.3 complete and document:

564.4 (1) the annual completion of a two-hour active supervision course developed by the  
564.5 commissioner; and

564.6 (2) the completion at least once every five years of the two-hour courses Health and  
564.7 Safety I and Health and Safety II. A license holder's or adult caregiver's completion of either  
564.8 training in a given year meets the annual active supervision training requirement in clause  
564.9 (1).

564.10 Sec. 17. [245A.51] FAMILY CHILD CARE HEALTH AND SAFETY  
564.11 REQUIREMENTS.

564.12 Subdivision 1. Allergy prevention and response. (a) Before admitting a child for care,  
564.13 the license holder must obtain information about any known allergy from the child's parent  
564.14 or legal guardian. The license holder must maintain current allergy information in each  
564.15 child's record. The allergy information must include a description of the allergy, specific  
564.16 triggers, avoidance techniques, symptoms of an allergic reaction, and procedures for  
564.17 responding to an allergic reaction, including medication, dosages, and a doctor's contact  
564.18 information.

564.19 (b) The child's allergy information must be documented on a form approved by the  
564.20 commissioner, readily available to all caregivers, and reviewed annually by the license  
564.21 holder and each caregiver.

564.22 Subd. 2. Handling and disposal of bodily fluids. The licensed family child care provider  
564.23 must comply with the following procedures for safely handling and disposing of bodily  
564.24 fluids:

564.25 (1) surfaces that come in contact with potentially infectious bodily fluids, including  
564.26 blood and vomit, must be cleaned and disinfected as described in section 245A.148;

564.27 (2) blood-contaminated material must be disposed of in a plastic bag with a secure tie;

564.28 (3) sharp items used for a child with special care needs must be disposed of in a "sharps  
564.29 container." The sharps container must be stored out of reach of a child; and

564.30 (4) the license holder must have the following bodily fluid disposal supplies available:  
564.31 disposable gloves, disposal bags, and eye protection.

565.1 Subd. 3. **Emergency preparedness plan.** (a) No later than September 30, 2017, a  
565.2 licensed family child care provider must have a written emergency preparedness plan for  
565.3 emergencies that require evacuation, sheltering, or other protection of children, such as fire,  
565.4 natural disaster, intruder, or other threatening situation that may pose a health or safety  
565.5 hazard to children. The plan must be written on a form developed by the commissioner and  
565.6 updated at least annually. The plan must include:

- 565.7 (1) procedures for an evacuation, relocation, shelter-in-place, or lockdown;  
565.8 (2) a designated relocation site and evacuation route;  
565.9 (3) procedures for notifying a child's parent or legal guardian of the evacuation,  
565.10 shelter-in-place, or lockdown, including procedures for reunification with families;  
565.11 (4) accommodations for a child with a disability or a chronic medical condition;  
565.12 (5) procedures for storing a child's medically necessary medicine that facilitate easy  
565.13 removal during an evacuation or relocation;  
565.14 (6) procedures for continuing operations in the period during and after a crisis; and  
565.15 (7) procedures for communicating with local emergency management officials, law  
565.16 enforcement officials, or other appropriate state or local authorities.

565.17 (b) The license holder must train caregivers before the caregiver provides care and at  
565.18 least annually on the emergency preparedness plan and document completion of this training.

565.19 (c) The license holder must conduct drills according to the requirements in Minnesota  
565.20 Rules, part 9502.0435, subpart 8. The date and time of the drills must be documented.

565.21 (d) The license holder must have the emergency preparedness plan available for review  
565.22 and posted in a prominent location. The license holder must provide a physical or electronic  
565.23 copy of the plan to the child's parent or legal guardian upon enrollment.

565.24 **EFFECTIVE DATE.** This section is effective August 1, 2017.

565.25 Sec. 18. Minnesota Statutes 2016, section 245C.02, is amended by adding a subdivision  
565.26 to read:

565.27 Subd. 6a. **Child care staff person.** "Child care staff person" means an individual other  
565.28 than an individual who is related to all children for whom child care services are provided  
565.29 and:

- 565.30 (1) who is employed by a child care provider for compensation;



566.1 (2) whose activities involve the care or supervision of a child for a child care provider  
566.2 or unsupervised access to a child who is cared for or supervised by a child care provider;  
566.3 or

566.4 (3) an individual 13 years of age or older residing in a licensed family child care home  
566.5 or legal nonlicensed child care program.

566.6 **EFFECTIVE DATE.** This section is effective October 1, 2017.

566.7 Sec. 19. Minnesota Statutes 2016, section 245C.03, subdivision 1, is amended to read:

566.8 Subdivision 1. **Licensed programs.** (a) The commissioner shall conduct a background  
566.9 study on:

566.10 (1) the person or persons applying for a license;

566.11 (2) an individual age 13 and over living in the household where the licensed program  
566.12 will be provided who is not receiving licensed services from the program;

566.13 (3) current or prospective employees or contractors of the applicant who will have direct  
566.14 contact with persons served by the facility, agency, or program;

566.15 (4) volunteers or student volunteers who will have direct contact with persons served  
566.16 by the program to provide program services if the contact is not under the continuous, direct  
566.17 supervision by an individual listed in clause (1) or (3);

566.18 (5) an individual age ten to 12 living in the household where the licensed services will  
566.19 be provided when the commissioner has reasonable cause;

566.20 (6) an individual who, without providing direct contact services at a licensed program,  
566.21 may have unsupervised access to children or vulnerable adults receiving services from a  
566.22 program, when the commissioner has reasonable cause; and

566.23 (7) all ~~managerial officials~~ controlling individuals as defined under in section 245A.02,  
566.24 subdivision 5a; and

566.25 (8) child care staff persons as defined in section 245C.02, subdivision 6a.

566.26 (b) Paragraph (a), clauses (5) and (6), apply to legal nonlicensed child care and certified  
566.27 license-exempt child care programs.

566.28 ~~(b)~~ (c) For family child foster care settings, a short-term substitute caregiver providing  
566.29 direct contact services for a child for less than 72 hours of continuous care is not required  
566.30 to receive a background study under this chapter.

567.1 **EFFECTIVE DATE.** This section is effective when the Department of Human Services  
567.2 implements NETStudy 2.0 or October 1, 2017, whichever is later. The commissioner of  
567.3 human services shall notify the revisor of statutes when the department implements  
567.4 NETStudy 2.0.

567.5 Sec. 20. Minnesota Statutes 2016, section 245C.03, is amended by adding a subdivision  
567.6 to read:

567.7 Subd. 6a. **Legal nonlicensed and certified child care programs.** The commissioner  
567.8 shall conduct background studies on an individual required under sections 119B.125 and  
567.9 245G.10 to complete a background study under this chapter.

567.10 **EFFECTIVE DATE.** This section is effective October 1, 2017.

567.11 Sec. 21. Minnesota Statutes 2016, section 245C.04, subdivision 1, is amended to read:

567.12 Subdivision 1. **Licensed programs; other child care programs.** (a) The commissioner  
567.13 shall conduct a background study of an individual required to be studied under section  
567.14 245C.03, subdivision 1, at least upon application for initial license for all license types.

567.15 (b) The commissioner shall conduct a background study of an individual required to be  
567.16 studied under section 245C.03, subdivision 1, including a child care staff person as defined  
567.17 in section 245C.02, subdivision 6a, in a family child care program, licensed child care center,  
567.18 certified license-exempt child care center, or legal nonlicensed child care provider, on a  
567.19 schedule determined by the commissioner. The background study must include submission  
567.20 of fingerprints for a national criminal history record check and a review of the information  
567.21 under section 245C.08. A background study for a child care program must be repeated  
567.22 within five years from the most recent study conducted under this paragraph.

567.23 (c) At reapplication ~~for a license~~ for a family child care, license:

567.24 (1) for a background study affiliated with a licensed family child care center or legal  
567.25 nonlicensed child care provider, the individual shall provide information required under  
567.26 section 245C.05, subdivision 1, paragraphs (a), (b), and (d), to the county agency, and be  
567.27 fingerprinted and photographed under section 245C.05, subdivision 5;

567.28 (2) the county agency shall verify the information received under clause (1) and forward  
567.29 the information to the commissioner to complete the background study; and

567.30 (3) the background study conducted by the commissioner under this paragraph must  
567.31 include a review of the information required under section 245C.08.



568.1        ~~(e)~~ (d) The commissioner is not required to conduct a study of an individual at the time  
568.2 of reapplication for a license if the individual's background study was completed by the  
568.3 commissioner of human services and the following conditions are met:

568.4        (1) a study of the individual was conducted either at the time of initial licensure or when  
568.5 the individual became affiliated with the license holder;

568.6        (2) the individual has been continuously affiliated with the license holder since the last  
568.7 study was conducted; and

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

568.9        ~~(d)~~ (e) The commissioner of human services shall conduct a background study of an  
568.10 individual specified under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6),  
568.11 who is newly affiliated with a child foster care license holder. The county or private agency  
568.12 shall collect and forward to the commissioner the information required under section 245C.05,  
568.13 subdivisions 1 and 5. The background study conducted by the commissioner of human  
568.14 services under this paragraph must include a review of the information required under  
568.15 section 245C.08, subdivisions 1, 3, and 4.

568.16        ~~(e)~~ (f) The commissioner shall conduct a background study of an individual specified  
568.17 under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6), who is newly affiliated  
568.18 with an adult foster care or family adult day services and with a family child care license  
568.19 holder or a legal nonlicensed child care provider authorized under chapter 119B: (1) the  
568.20 county shall collect and forward to the commissioner the information required under section  
568.21 245C.05, subdivision 1, paragraphs (a) and (b), and subdivision 5, paragraphs (a) ~~and~~ (b),  
568.22 and (d), for background studies conducted by the commissioner for all family adult day  
568.23 services and, for adult foster care when the adult foster care license holder resides in the  
568.24 adult foster care residence, and for family child care and legal nonlicensed child care  
568.25 authorized under chapter 119B; (2) the license holder shall collect and forward to the  
568.26 commissioner the information required under section 245C.05, subdivisions 1, paragraphs  
568.27 (a) and (b); and 5, paragraphs (a) and (b), for background studies conducted by the  
568.28 commissioner for adult foster care when the license holder does not reside in the adult foster  
568.29 care residence; and (3) the background study conducted by the commissioner under this  
568.30 paragraph must include a review of the information required under section 245C.08,  
568.31 subdivision 1, paragraph (a), and subdivisions 3 and 4.

568.32        ~~(f)~~ (g) Applicants for licensure, license holders, and other entities as provided in this  
568.33 chapter must submit completed background study requests to the commissioner using the

569.1 electronic system known as NETStudy before individuals specified in section 245C.03,  
569.2 subdivision 1, begin positions allowing direct contact in any licensed program.

569.3 ~~(g)~~ (h) For an individual who is not on the entity's active roster, the entity must initiate  
569.4 a new background study through NETStudy when:

569.5 (1) an individual returns to a position requiring a background study following an absence  
569.6 of 120 or more consecutive days; or

569.7 (2) a program that discontinued providing licensed direct contact services for 120 or  
569.8 more consecutive days begins to provide direct contact licensed services again.

569.9 The license holder shall maintain a copy of the notification provided to the commissioner  
569.10 under this paragraph in the program's files. If the individual's disqualification was previously  
569.11 set aside for the license holder's program and the new background study results in no new  
569.12 information that indicates the individual may pose a risk of harm to persons receiving  
569.13 services from the license holder, the previous set-aside shall remain in effect.

569.14 ~~(h)~~ (i) For purposes of this section, a physician licensed under chapter 147 is considered  
569.15 to be continuously affiliated upon the license holder's receipt from the commissioner of  
569.16 health or human services of the physician's background study results.

569.17 ~~(i)~~ (j) For purposes of family child care, a substitute caregiver must receive repeat  
569.18 background studies at the time of each license renewal.

569.19 (k) A repeat background study at the time of license renewal is not required if the family  
569.20 child care substitute caregiver's background study was completed by the commissioner on  
569.21 or after October 1, 2017, and the substitute caregiver is on the license holder's active roster  
569.22 in NETStudy 2.0.

569.23 (l) Before and after school programs authorized under chapter 119B, are exempt from  
569.24 the background study requirements under section 123B.03, or an employee for whom a  
569.25 background study under this chapter has been completed.

569.26 **EFFECTIVE DATE.** This section is effective October 1, 2017.

569.27 Sec. 22. Minnesota Statutes 2016, section 245C.04, subdivision 8, is amended to read:

569.28 Subd. 8. **Current or prospective contractors serving multiple family child care**  
569.29 **license holders.** (a) Before the implementation of NETStudy 2.0, current or prospective  
569.30 contractors who are required to have a background study under section 245C.03, subdivision  
569.31 1, who provide services for multiple family child care license holders in a single county,  
569.32 and will have direct contact with children served in the family child care setting are required



570.1 to have only one background study which is transferable to all family child care programs  
570.2 in that county if:

570.3 (1) the county agency maintains a record of the contractor's background study results  
570.4 which verify the contractor is approved to have direct contact with children receiving  
570.5 services;

570.6 (2) the license holder contacts the county agency and obtains notice that the current or  
570.7 prospective contractor is in compliance with background study requirements and approved  
570.8 to have direct contact; and

570.9 (3) the contractor's background study is repeated every two years.

570.10 (b) For a family child care license holder operating under NETStudy 2.0, the license  
570.11 holder's active roster shall be the system used to document when a background study subject  
570.12 is affiliated with the license holder.

570.13 **EFFECTIVE DATE.** This section is effective August 1, 2017.

570.14 Sec. 23. Minnesota Statutes 2016, section 245C.05, subdivision 2b, is amended to read:

570.15 Subd. 2b. **County agency to collect and forward information to commissioner.** (a)  
570.16 For background studies related to all family adult day services and to adult foster care when  
570.17 the adult foster care license holder resides in the adult foster care residence, the county  
570.18 agency must collect the information required under subdivision 1 and forward it to the  
570.19 commissioner.

570.20 (b) Upon implementation of NETStudy 2.0, for background studies related to family  
570.21 child care and legal nonlicensed child care authorized under chapter 119B, the county agency  
570.22 must collect the information required under subdivision 1 and provide the information to  
570.23 the commissioner.

570.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

570.25 Sec. 24. Minnesota Statutes 2016, section 245C.05, subdivision 4, is amended to read:

570.26 Subd. 4. **Electronic transmission.** (a) For background studies conducted by the  
570.27 Department of Human Services, the commissioner shall implement a secure system for the  
570.28 electronic transmission of:

570.29 (1) background study information to the commissioner;

570.30 (2) background study results to the license holder;

571.1 (3) background study results to county and private agencies for background studies  
571.2 conducted by the commissioner for child foster care; and

571.3 (4) background study results to county agencies for background studies conducted by  
571.4 the commissioner for adult foster care and family adult day services and, upon  
571.5 implementation of NETStudy 2.0, family child care and legal nonlicensed child care  
571.6 authorized under chapter 119B.

571.7 (b) Unless the commissioner has granted a hardship variance under paragraph (c), a  
571.8 license holder or an applicant must use the electronic transmission system known as  
571.9 NETStudy or NETStudy 2.0 to submit all requests for background studies to the  
571.10 commissioner as required by this chapter.

571.11 (c) A license holder or applicant whose program is located in an area in which high-speed  
571.12 Internet is inaccessible may request the commissioner to grant a variance to the electronic  
571.13 transmission requirement.

571.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

571.15 Sec. 25. Minnesota Statutes 2016, section 245C.05, subdivision 5, is amended to read:

571.16 Subd. 5. **Fingerprints and photograph.** (a) Before the implementation of NETStudy  
571.17 2.0, except as provided in paragraph (c), for any background study completed under this  
571.18 chapter, when the commissioner has reasonable cause to believe that further pertinent  
571.19 information may exist on the subject of the background study, the subject shall provide the  
571.20 commissioner with a set of classifiable fingerprints obtained from an authorized agency.

571.21 (b) Before the implementation of NETStudy 2.0, for purposes of requiring fingerprints,  
571.22 the commissioner has reasonable cause when, but not limited to, the:

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

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

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

571.29 (c) Notwithstanding paragraph (d), for background studies conducted by the commissioner  
571.30 for child foster care, adoptions, or a transfer of permanent legal and physical custody of a  
571.31 child, the subject of the background study, who is 18 years of age or older, shall provide



572.1 the commissioner with a set of classifiable fingerprints obtained from an authorized agency  
572.2 for a national criminal history record check.

572.3 (d) For background studies initiated on or after the implementation of NETStudy 2.0,  
572.4 every subject of a background study must provide the commissioner with a set of the  
572.5 background study subject's classifiable fingerprints and photograph. The photograph and  
572.6 fingerprints must be recorded at the same time by the commissioner's authorized fingerprint  
572.7 collection vendor and sent to the commissioner through the commissioner's secure data  
572.8 system described in section 245C.32, subdivision 1a, paragraph (b). The fingerprints shall  
572.9 not be retained by the Department of Public Safety, Bureau of Criminal Apprehension, or  
572.10 the commissioner, but will be retained by the Federal Bureau of Investigation. The  
572.11 commissioner's authorized fingerprint collection vendor shall, for purposes of verifying the  
572.12 identity of the background study subject, be able to view the identifying information entered  
572.13 into NETStudy 2.0 by the entity that initiated the background study, but shall not retain the  
572.14 subject's fingerprints, photograph, or information from NETStudy 2.0. The authorized  
572.15 fingerprint collection vendor shall retain no more than the name and date and time the  
572.16 subject's fingerprints were recorded and sent, only as necessary for auditing and billing  
572.17 activities.

572.18 (e) When specifically required by law, fingerprints collected under this section must be  
572.19 submitted for a national criminal history record check.

572.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

572.21 Sec. 26. Minnesota Statutes 2016, section 245C.05, subdivision 7, is amended to read:

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

572.24 (1) has been affiliated with a program or facility regulated by the Department of Human  
572.25 Services or Department of Health, a facility serving children or youth licensed by the  
572.26 Department of Corrections, or any type of home care agency or provider of personal care  
572.27 assistance services within the preceding year; and

572.28 (2) has been convicted of a crime constituting a disqualification under section 245C.14.

572.29 (b) For the purpose of this subdivision, "conviction" has the meaning given it in section  
572.30 609.02, subdivision 5.

572.31 (c) The commissioner, in consultation with the commissioner of corrections, shall develop  
572.32 forms and information necessary to implement this subdivision and shall provide the forms

573.1 and information to the commissioner of corrections for distribution to local probation officers  
573.2 and corrections agents.

573.3 (d) The commissioner shall inform individuals subject to a background study that criminal  
573.4 convictions for disqualifying crimes ~~will~~ shall be reported to the commissioner by the  
573.5 corrections system.

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

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

573.12 (g) This subdivision does not apply to family child care programs or legal nonlicensed  
573.13 child care programs for individuals whose background study was completed in NETStudy  
573.14 2.0.

573.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

573.16 Sec. 27. Minnesota Statutes 2016, section 245C.08, subdivision 1, is amended to read:

573.17 Subdivision 1. **Background studies conducted by Department of Human Services.**

573.18 (a) For a background study conducted by the Department of Human Services, the  
573.19 commissioner shall review:

573.20 (1) information related to names of substantiated perpetrators of maltreatment of  
573.21 vulnerable adults that has been received by the commissioner as required under section  
573.22 626.557, subdivision 9c, paragraph (j);

573.23 (2) the commissioner's records relating to the maltreatment of minors in licensed  
573.24 programs, and from findings of maltreatment of minors as indicated through the social  
573.25 service information system;

573.26 (3) information from juvenile courts as required in subdivision 4 for individuals listed  
573.27 in section 245C.03, subdivision 1, paragraph (a), when there is reasonable cause;

573.28 (4) information from the Bureau of Criminal Apprehension, including information  
573.29 regarding a background study subject's registration in Minnesota as a predatory offender  
573.30 under section 243.166;

573.31 (5) except as provided in clause (6), information ~~from the national crime information~~  
573.32 system received as a result of submission of fingerprints for a national criminal history



574.1 record check, when the commissioner has reasonable cause as defined under section 245C.05,  
574.2 subdivision 5, or as required under section 144.057, subdivision 1, clause (2); and

574.3 (6) for a background study related to a child foster care application for licensure, a  
574.4 transfer of permanent legal and physical custody of a child under sections 260C.503 to  
574.5 260C.515, or adoptions, and for a background study required for family child care, certified  
574.6 license-exempt child care, child care centers, and legal nonlicensed child care authorized  
574.7 under chapter 119B, the commissioner shall also review:

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

574.10 (ii) ~~information from national crime information databases,~~ when the background study  
574.11 subject is 18 years of age or older, information received following submission of fingerprints  
574.12 for a national criminal history record check; and

574.13 (7) for a background study required for family child care, certified license-exempt child  
574.14 care centers, licensed child care centers, and legal nonlicensed child care authorized under  
574.15 chapter 119B, the background study shall also include a name and date-of-birth search of  
574.16 the National Sex Offender Public Web site.

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

574.21 (c) The commissioner shall also review criminal case information received according  
574.22 to section 245C.04, subdivision 4a, from the Minnesota court information system that relates  
574.23 to individuals who have already been studied under this chapter and who remain affiliated  
574.24 with the agency that initiated the background study.

574.25 (d) When the commissioner has reasonable cause to believe that the identity of a  
574.26 background study subject is uncertain, the commissioner may require the subject to provide  
574.27 a set of classifiable fingerprints for purposes of completing a fingerprint-based record check  
574.28 with the Bureau of Criminal Apprehension. Fingerprints collected under this paragraph  
574.29 shall not be saved by the commissioner after they have been used to verify the identity of  
574.30 the background study subject against the particular criminal record in question.

574.31 (e) The commissioner may inform the entity that initiated a background study under  
574.32 NETStudy 2.0 of the status of processing of the subject's fingerprints.

574.33 **EFFECTIVE DATE.** This section is effective October 1, 2017.

575.1 Sec. 28. Minnesota Statutes 2016, section 245C.08, subdivision 2, is amended to read:

575.2 Subd. 2. **Background studies conducted by a county agency for family child care.**

575.3 (a) Before the implementation of NETStudy 2.0, for a background study conducted by a  
575.4 county agency for family child care services, the commissioner shall review:

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

575.7 (2) information from juvenile courts as required in subdivision 4 for:

575.8 (i) individuals listed in section 245C.03, subdivision 1, paragraph (a), who are ages 13  
575.9 through 23 living in the household where the licensed services will be provided; and

575.10 (ii) any other individual listed under section 245C.03, subdivision 1, when there is  
575.11 reasonable cause; and

575.12 (3) information from the Bureau of Criminal Apprehension.

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

575.16 (c) Notwithstanding expungement by a court, the county agency may consider information  
575.17 obtained under paragraph (a), clause (3), unless the commissioner received notice of the  
575.18 petition for expungement and the court order for expungement is directed specifically to  
575.19 the commissioner.

575.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

575.21 Sec. 29. Minnesota Statutes 2016, section 245C.08, subdivision 4, is amended to read:

575.22 Subd. 4. **Juvenile court records.** (a) For a background study conducted by the  
575.23 Department of Human Services, the commissioner shall review records from the juvenile  
575.24 courts for an individual studied under section 245C.03, subdivision 1, paragraph (a), when  
575.25 the commissioner has reasonable cause.

575.26 (b) For a background study conducted by a county agency for family child care before  
575.27 the implementation of NETStudy 2.0, the commissioner shall review records from the  
575.28 juvenile courts for individuals listed in section 245C.03, subdivision 1, who are ages 13  
575.29 through 23 living in the household where the licensed services will be provided. The  
575.30 commissioner shall also review records from juvenile courts for any other individual listed  
575.31 under section 245C.03, subdivision 1, when the commissioner has reasonable cause.



576.1 (c) The juvenile courts shall help with the study by giving the commissioner existing  
576.2 juvenile court records relating to delinquency proceedings held on individuals described in  
576.3 section 245C.03, subdivision 1, paragraph (a), when requested pursuant to this subdivision.

576.4 (d) For purposes of this chapter, a finding that a delinquency petition is proven in juvenile  
576.5 court shall be considered a conviction in state district court.

576.6 (e) Juvenile courts shall provide orders of involuntary and voluntary termination of  
576.7 parental rights under section 260C.301 to the commissioner upon request for purposes of  
576.8 conducting a background study under this chapter.

576.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

576.10 Sec. 30. Minnesota Statutes 2016, section 245C.09, is amended by adding a subdivision  
576.11 to read:

576.12 **Subd. 3. False statement in connection with a background study.** A child care staff  
576.13 person shall be disqualified for knowingly making a materially false statement in connection  
576.14 with a background study.

576.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

576.16 Sec. 31. Minnesota Statutes 2016, section 245C.10, subdivision 9, is amended to read:

576.17 **Subd. 9. Human services licensed programs.** The commissioner shall recover the cost  
576.18 of background studies required under section 245C.03, subdivision 1, for all programs that  
576.19 are licensed by the commissioner, except child foster care and, family child care, child care  
576.20 centers, certified license-exempt child care centers, and legal nonlicensed child care  
576.21 authorized under chapter 119B, through a fee of no more than \$20 per study charged to the  
576.22 license holder. The fees collected under this subdivision are appropriated to the commissioner  
576.23 for the purpose of conducting background studies.

576.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

576.25 Sec. 32. Minnesota Statutes 2016, section 245C.10, is amended by adding a subdivision  
576.26 to read:

576.27 **Subd. 9a. Child care programs.** The commissioner shall recover the cost of a background  
576.28 study required for family child care, certified license-exempt child care centers, licensed  
576.29 child care centers, and legal nonlicensed child care providers authorized under chapter 119B  
576.30 through a fee of no more than \$40 per study charged to the license holder. The fees collected  
576.31 under this subdivision are appropriated to the commissioner to conduct background studies.

577.1 Sec. 33. Minnesota Statutes 2016, section 245C.11, subdivision 3, is amended to read:

577.2 Subd. 3. **Criminal history data.** County agencies shall have access to the criminal  
577.3 history data in the same manner as county licensing agencies under this chapter for purposes  
577.4 of background studies completed before the implementation of NETStudy 2.0 by county  
577.5 agencies on legal nonlicensed child care providers to determine eligibility for child care  
577.6 funds under chapter 119B.

577.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

577.8 Sec. 34. Minnesota Statutes 2016, section 245C.15, subdivision 1, is amended to read:

577.9 Subdivision 1. **Permanent disqualification.** (a) An individual is disqualified under  
577.10 section 245C.14 if: (1) regardless of how much time has passed since the discharge of the  
577.11 sentence imposed, if any, for the offense; and (2) unless otherwise specified, regardless of  
577.12 the level of the offense, the individual has committed any of the following offenses: sections  
577.13 243.166 (violation of predatory offender registration law); 609.185 (murder in the first  
577.14 degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20  
577.15 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); a felony  
577.16 offense under 609.221 or 609.222 (assault in the first or second degree); a felony offense  
577.17 under sections 609.2242 and 609.2243 (domestic assault), spousal abuse, child abuse or  
577.18 neglect, or a crime against children; 609.2247 (domestic assault by strangulation); 609.228  
577.19 (great bodily harm caused by distribution of drugs); 609.245 (aggravated robbery); 609.25  
577.20 (kidnapping); 609.2661 (murder of an unborn child in the first degree); 609.2662 (murder  
577.21 of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third  
577.22 degree); 609.322 (solicitation, inducement, and promotion of prostitution); 609.324,  
577.23 subdivision 1 (other prohibited acts); 609.342 (criminal sexual conduct in the first degree);  
577.24 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal sexual conduct  
577.25 in the third degree); 609.345 (criminal sexual conduct in the fourth degree); 609.3451  
577.26 (criminal sexual conduct in the fifth degree); 609.3453 (criminal sexual predatory conduct);  
577.27 609.352 (solicitation of children to engage in sexual conduct); 609.365 (incest); a felony  
577.28 offense under 609.377 (malicious punishment of a child); a felony offense under 609.378  
577.29 (neglect or endangerment of a child); 609.561 (arson in the first degree); 609.66, subdivision  
577.30 1e (drive-by shooting); 609.749, subdivision 3, 4, or 5 (felony-level stalking); 609.855,  
577.31 subdivision 5 (shooting at or in a public transit vehicle or facility); 617.23, subdivision 2,  
577.32 clause (1), or subdivision 3, clause (1) (indecent exposure involving a minor); 617.246 (use  
577.33 of minors in sexual performance prohibited); ~~or~~ 617.247 (possession of pictorial  
577.34 representations of minors); or, for a child care staff person, conviction of a crime that would



578.1 make the individual ineligible for employment under United States Code, title 42, section  
578.2 9858F, regardless of whether a period of disqualification under subdivisions 2 to 4, would  
578.3 apply if the individual were not a child care staff person.

578.4 (b) An individual's aiding and abetting, attempt, or conspiracy to commit any of the  
578.5 offenses listed in paragraph (a), as each of these offenses is defined in Minnesota Statutes,  
578.6 permanently disqualifies the individual under section 245C.14.

578.7 (c) An individual's offense in any other state or country, where the elements of the offense  
578.8 are substantially similar to any of the offenses listed in paragraph (a), permanently disqualifies  
578.9 the individual under section 245C.14.

578.10 (d) When a disqualification is based on a judicial determination other than a conviction,  
578.11 the disqualification period begins from the date of the court order. When a disqualification  
578.12 is based on an admission, the disqualification period begins from the date of an admission  
578.13 in court. When a disqualification is based on an Alford Plea, the disqualification period  
578.14 begins from the date the Alford Plea is entered in court. When a disqualification is based  
578.15 on a preponderance of evidence of a disqualifying act, the disqualification date begins from  
578.16 the date of the dismissal, the date of discharge of the sentence imposed for a conviction for  
578.17 a disqualifying crime of similar elements, or the date of the incident, whichever occurs last.

578.18 (e) If the individual studied commits one of the offenses listed in paragraph (a) that is  
578.19 specified as a felony-level only offense, but the sentence or level of offense is a gross  
578.20 misdemeanor or misdemeanor, the individual is disqualified, but the disqualification  
578.21 look-back period for the offense is the period applicable to gross misdemeanor or  
578.22 misdemeanor offenses.

578.23 (f) A child care staff person shall be disqualified as long as the individual is registered,  
578.24 or required to be registered, on a state sex offender registry or repository or the National  
578.25 Sex Offender Registry.

578.26 **EFFECTIVE DATE.** This section is effective October 1, 2017.

578.27 Sec. 35. Minnesota Statutes 2016, section 245C.16, subdivision 1, is amended to read:

578.28 Subdivision 1. **Determining immediate risk of harm.** (a) If the commissioner determines  
578.29 that the individual studied has a disqualifying characteristic, the commissioner shall review  
578.30 the information immediately available and make a determination as to the subject's immediate  
578.31 risk of harm to persons served by the program where the individual studied will have direct  
578.32 contact with, or access to, people receiving services.

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

579.3 (1) the recency of the disqualifying characteristic;

579.4 (2) the recency of discharge from probation for the crimes;

579.5 (3) the number of disqualifying characteristics;

579.6 (4) the intrusiveness or violence of the disqualifying characteristic;

579.7 (5) the vulnerability of the victim involved in the disqualifying characteristic;

579.8 (6) the similarity of the victim to the persons served by the program where the individual  
579.9 studied will have direct contact;

579.10 (7) whether the individual has a disqualification from a previous background study that  
579.11 has not been set aside; and

579.12 (8) if the individual has a disqualification which may not be set aside because it is a  
579.13 permanent bar under section 245C.24, subdivision 1, or the individual is a child care staff  
579.14 person who has a felony-level conviction for a drug-related offense in the last five years,  
579.15 the commissioner may order the immediate removal of the individual from any position  
579.16 allowing direct contact with, or access to, persons receiving services from the program.

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

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

579.22 (e) Except for paragraph (f), this section does not apply to a background study that is  
579.23 also subject to the requirements under section 256B.0659, subdivisions 11 and 13, for a  
579.24 personal care assistant or a qualified professional as defined in section 256B.0659,  
579.25 subdivision 1.

579.26 (f) If the commissioner has reason to believe, based on arrest information or an active  
579.27 maltreatment investigation, that an individual poses an imminent risk of harm to persons  
579.28 receiving services, the commissioner may order that the person be continuously supervised  
579.29 or immediately removed pending the conclusion of the maltreatment investigation or criminal  
579.30 proceedings.

579.31 **EFFECTIVE DATE.** This section is effective October 1, 2017.



580.1 Sec. 36. Minnesota Statutes 2016, section 245C.17, subdivision 6, is amended to read:

580.2 Subd. 6. **Notice to county agency.** For studies on individuals related to a license to  
580.3 provide adult foster care and family adult day services and, effective upon implementation  
580.4 of NETStudy 2.0, family child care and legal nonlicensed child care authorized under chapter  
580.5 119B, the commissioner shall also provide a notice of the background study results to the  
580.6 county agency that initiated the background study.

580.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

580.8 Sec. 37. Minnesota Statutes 2016, section 245C.21, subdivision 1, is amended to read:

580.9 Subdivision 1. **Who may request reconsideration.** An individual who is the subject of  
580.10 a disqualification may request a reconsideration of the disqualification pursuant to this  
580.11 section. The individual must submit the request for reconsideration to the commissioner in  
580.12 writing.

580.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

580.14 Sec. 38. Minnesota Statutes 2016, section 245C.22, subdivision 5, is amended to read:

580.15 Subd. 5. **Scope of set-aside.** (a) If the commissioner sets aside a disqualification under  
580.16 this section, the disqualified individual remains disqualified, but may hold a license and  
580.17 have direct contact with or access to persons receiving services. Except as provided in  
580.18 paragraph (b), the commissioner's set-aside of a disqualification is limited solely to the  
580.19 licensed program, applicant, or agency specified in the set aside notice under section 245C.23.  
580.20 For personal care provider organizations, the commissioner's set-aside may further be limited  
580.21 to a specific individual who is receiving services. For new background studies required  
580.22 under section 245C.04, subdivision 1, paragraph ~~(g)~~ (h), if an individual's disqualification  
580.23 was previously set aside for the license holder's program and the new background study  
580.24 results in no new information that indicates the individual may pose a risk of harm to persons  
580.25 receiving services from the license holder, the previous set-aside shall remain in effect.

580.26 (b) If the commissioner has previously set aside an individual's disqualification for one  
580.27 or more programs or agencies, and the individual is the subject of a subsequent background  
580.28 study for a different program or agency, the commissioner shall determine whether the  
580.29 disqualification is set aside for the program or agency that initiated the subsequent  
580.30 background study. A notice of a set-aside under paragraph (c) shall be issued within 15  
580.31 working days if all of the following criteria are met:

581.1 (1) the subsequent background study was initiated in connection with a program licensed  
581.2 or regulated under the same provisions of law and rule for at least one program for which  
581.3 the individual's disqualification was previously set aside by the commissioner;

581.4 (2) the individual is not disqualified for an offense specified in section 245C.15,  
581.5 subdivision 1 or 2;

581.6 (3) the commissioner has received no new information to indicate that the individual  
581.7 may pose a risk of harm to any person served by the program; and

581.8 (4) the previous set-aside was not limited to a specific person receiving services.

581.9 (c) When a disqualification is set aside under paragraph (b), the notice of background  
581.10 study results issued under section 245C.17, in addition to the requirements under section  
581.11 245C.17, shall state that the disqualification is set aside for the program or agency that  
581.12 initiated the subsequent background study. The notice must inform the individual that the  
581.13 individual may request reconsideration of the disqualification under section 245C.21 on the  
581.14 basis that the information used to disqualify the individual is incorrect.

581.15 **EFFECTIVE DATE.** This section is effective October 1, 2017.

581.16 Sec. 39. Minnesota Statutes 2016, section 245C.22, subdivision 7, is amended to read:

581.17 Subd. 7. **Classification of certain data.** (a) Notwithstanding section 13.46, except as  
581.18 provided in paragraph (f), upon setting aside a disqualification under this section, the identity  
581.19 of the disqualified individual who received the set-aside and the individual's disqualifying  
581.20 characteristics are public data if the set-aside was:

581.21 (1) for any disqualifying characteristic under section 245C.15, except a felony-level  
581.22 conviction for a drug-related offense within the past five years, when the set-aside relates  
581.23 to a child care center or a family child care provider licensed under chapter 245A, certified  
581.24 license-exempt child care center, or legal nonlicensed family child care; or

581.25 (2) for a disqualifying characteristic under section 245C.15, subdivision 2.

581.26 (b) Notwithstanding section 13.46, upon granting a variance to a license holder under  
581.27 section 245C.30, the identity of the disqualified individual who is the subject of the variance,  
581.28 the individual's disqualifying characteristics under section 245C.15, and the terms of the  
581.29 variance are public data, except as provided in paragraph (c), clause (6), when the variance:

581.30 (1) is issued to a child care center or a family child care provider licensed under chapter  
581.31 245A; or



582.1 (2) relates to an individual with a disqualifying characteristic under section 245C.15,  
582.2 subdivision 2.

582.3 (c) The identity of a disqualified individual and the reason for disqualification remain  
582.4 private data when:

582.5 (1) a disqualification is not set aside and no variance is granted, except as provided under  
582.6 section 13.46, subdivision 4;

582.7 (2) the data are not public under paragraph (a) or (b);

582.8 (3) the disqualification is rescinded because the information relied upon to disqualify  
582.9 the individual is incorrect;

582.10 (4) the disqualification relates to a license to provide relative child foster care. As used  
582.11 in this clause, "relative" has the meaning given it under section 260C.007, subdivision 26b  
582.12 or 27; or

582.13 (5) the disqualified individual is a household member of a licensed foster care provider  
582.14 and:

582.15 (i) the disqualified individual previously received foster care services from this licensed  
582.16 foster care provider;

582.17 (ii) the disqualified individual was subsequently adopted by this licensed foster care  
582.18 provider; and

582.19 (iii) the disqualifying act occurred before the adoption; or

582.20 (6) a variance is granted to a child care center or family child care license holder for an  
582.21 individual's disqualification that is based on a felony-level conviction for a drug-related  
582.22 offense that occurred within the past five years.

582.23 (d) Licensed family child care providers and child care centers must provide notices as  
582.24 required under section 245C.301.

582.25 (e) Notwithstanding paragraphs (a) and (b), the identity of household members who are  
582.26 the subject of a disqualification related set-aside or variance is not public data if:

582.27 (1) the household member resides in the residence where the family child care is provided;

582.28 (2) the subject of the set-aside or variance is under the age of 18 years; and

582.29 (3) the set-aside or variance only relates to a disqualification under section 245C.15,  
582.30 subdivision 4, for a misdemeanor-level theft crime as defined in section 609.52.

583.1 (f) When the commissioner has reason to know that a disqualified individual has received  
583.2 an order for expungement for the disqualifying record that does not limit the commissioner's  
583.3 access to the record, and the record was opened or exchanged with the commissioner for  
583.4 purposes of a background study under this chapter, the data that would otherwise become  
583.5 public under paragraph (a) or (b) remain private data.

583.6 **EFFECTIVE DATE.** This section is effective October 1, 2017.

583.7 Sec. 40. Minnesota Statutes 2016, section 245C.23, is amended to read:

583.8 **245C.23 COMMISSIONER'S RECONSIDERATION NOTICE.**

583.9 Subdivision 1. **Disqualification that is rescinded or set aside.** (a) If the commissioner  
583.10 rescinds or sets aside a disqualification, the commissioner shall notify the applicant, license  
583.11 holder, or other entity in writing or by electronic transmission of the decision.

583.12 (b) In the notice from the commissioner that a disqualification has been rescinded, the  
583.13 commissioner must inform the applicant, license holder, or other entity that the information  
583.14 relied upon to disqualify the individual was incorrect.

583.15 (c) Except as provided in ~~paragraph~~ paragraphs (d) and (e), in the notice from the  
583.16 commissioner that a disqualification has been set aside, the commissioner must inform the  
583.17 applicant, license holder, or other entity of the reason for the individual's disqualification  
583.18 and that information about which factors under section 245C.22, subdivision 4, were the  
583.19 basis of the decision to set aside the disqualification are available to the license holder upon  
583.20 request without the consent of the background study subject.

583.21 (d) When the commissioner has reason to know that a disqualified individual has received  
583.22 an order for expungement for the disqualifying record that does not limit the commissioner's  
583.23 access to the record, and the record was opened or exchanged with the commissioner for  
583.24 purposes of a background study under this chapter, the information provided under paragraph  
583.25 (c) must only inform the applicant, license holder, or other entity that the disqualifying  
583.26 criminal record is sealed under a court order.

583.27 (e) The notification requirements in paragraph (c) do not apply when the set aside is  
583.28 granted to an individual related to a background study for a licensed child care center,  
583.29 certified license-exempt child care center, or family child care license holder, or for a legal  
583.30 nonlicensed child care provider authorized under chapter 119B, and the individual is  
583.31 disqualified for a felony-level conviction for a drug-related offense that occurred within the  
583.32 past five years. The notice that the individual's disqualification is set aside must inform the



584.1 applicant, license holder, or legal nonlicensed child care provider that the disqualifying  
584.2 criminal record is not public.

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

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

584.9 (2) the individual submits a timely request for reconsideration, but the commissioner  
584.10 does not set aside the disqualification for that license holder under section 245C.22, unless  
584.11 the individual has a right to request a hearing under section 245C.27, 245C.28, or 256.045;

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

584.15 (4) an individual submitted a timely request for a hearing under sections 245C.27 and  
584.16 256.045, or 245C.28 and chapter 14, but the commissioner does not set aside the  
584.17 disqualification under section 245A.08, subdivision 5, or 256.045.

584.18 (b) If the commissioner does not set aside the disqualification under section 245C.22,  
584.19 and the license holder was previously ordered under section 245C.17 to immediately remove  
584.20 the disqualified individual from direct contact with persons receiving services or to ensure  
584.21 that the individual is under continuous, direct supervision when providing direct contact  
584.22 services, the order remains in effect pending the outcome of a hearing under sections 245C.27  
584.23 and 256.045, or 245C.28 and chapter 14.

584.24 (c) If the commissioner does not set aside the disqualification under section 245C.22,  
584.25 and the license holder was not previously ordered under section 245C.17 to immediately  
584.26 remove the disqualified individual from direct contact with persons receiving services or  
584.27 to ensure that the individual is under continuous direct supervision when providing direct  
584.28 contact services, the commissioner shall order the individual to remain under continuous  
584.29 direct supervision pending the outcome of a hearing under sections 245C.27 and 256.045,  
584.30 or 245C.28 and chapter 14.

584.31 (d) For background studies related to child foster care, the commissioner shall also notify  
584.32 the county or private agency that initiated the study of the results of the reconsideration.

585.1 (e) For background studies related to family child care, legal nonlicensed child care,  
585.2 adult foster care, and family adult day services, the commissioner shall also notify the county  
585.3 that initiated the study of the results of the reconsideration.

585.4 **EFFECTIVE DATE.** This section is effective October 1, 2017.

585.5 Sec. 41. Minnesota Statutes 2016, section 245C.25, is amended to read:

585.6 **245C.25 CONSOLIDATED RECONSIDERATION OF MALTREATMENT**  
585.7 **DETERMINATION AND DISQUALIFICATION.**

585.8 (a) If an individual is disqualified on the basis of a determination of maltreatment under  
585.9 section 626.556 or 626.557, which was serious or recurring, and the individual requests  
585.10 reconsideration of the maltreatment determination under section 626.556, subdivision 10i,  
585.11 or 626.557, subdivision 9d, and also requests reconsideration of the disqualification under  
585.12 section 245C.21, the commissioner shall consolidate the reconsideration of the maltreatment  
585.13 determination and the disqualification into a single reconsideration.

585.14 ~~(b) For maltreatment and disqualification determinations made by county agencies, the~~  
585.15 ~~county agency shall conduct the consolidated reconsideration. If the county agency has~~  
585.16 ~~disqualified an individual on multiple bases, one of which is a county maltreatment~~  
585.17 ~~determination for which the individual has a right to request reconsideration, the county~~  
585.18 ~~shall conduct the reconsideration of all disqualifications.~~

585.19 ~~(c) If the county has previously conducted a consolidated reconsideration under paragraph~~  
585.20 ~~(b) of a maltreatment determination and a disqualification based on serious or recurring~~  
585.21 ~~maltreatment, and the county subsequently disqualifies the individual based on that~~  
585.22 ~~determination, the county shall conduct the reconsideration of the subsequent disqualification.~~  
585.23 ~~The scope of the subsequent disqualification shall be limited to whether the individual poses~~  
585.24 ~~a risk of harm in accordance with section 245C.22, subdivision 4. If the commissioner~~  
585.25 ~~subsequently disqualifies the individual in connection with a child foster care license based~~  
585.26 ~~on the county's previous maltreatment determination, the commissioner shall conduct the~~  
585.27 ~~reconsideration of the subsequent disqualification.~~

585.28 **EFFECTIVE DATE.** This section is effective October 1, 2017.

585.29 Sec. 42. Minnesota Statutes 2016, section 245C.30, subdivision 2, is amended to read:

585.30 Subd. 2. **Disclosure of reason for disqualification.** (a) The commissioner may not grant  
585.31 a variance for a disqualified individual unless the applicant or license holder requests the



586.1 variance and the disqualified individual provides written consent for the commissioner to  
586.2 disclose to the applicant or license holder the reason for the disqualification.

586.3 (b) This subdivision does not apply to programs licensed to provide family child care  
586.4 for children, foster care for children in the provider's own home, or foster care or day care  
586.5 services for adults in the provider's own home. When the commissioner grants a variance  
586.6 for a disqualified individual in connection with a license to provide the services specified  
586.7 in this paragraph, the disqualified individual's consent is not required to disclose the reason  
586.8 for the disqualification to the license holder in the variance issued under subdivision 1,  
586.9 provided that the commissioner may not disclose the reason for the disqualification if the  
586.10 disqualification is based on a felony-level conviction for a drug-related offense within the  
586.11 past five years.

586.12 **EFFECTIVE DATE.** This section is effective October 1, 2017.

586.13 Sec. 43. **[245G.01] DEFINITIONS.**

586.14 **Subdivision 1. Scope.** The terms used in this chapter have the meanings given in this  
586.15 section.

586.16 **Subd. 2. Applicant.** "Applicant" means an individual or organization that is subject to  
586.17 certification under this chapter and that applied for but is not yet granted certification under  
586.18 this chapter.

586.19 **Subd. 3. Center operator or program operator.** "Center operator" or "program operator"  
586.20 means the person exercising supervision or control over the center's or program's operations,  
586.21 planning, and functioning. There may be more than one designated center operator or  
586.22 program operator.

586.23 **Subd. 4. Certification holder.** "Certification holder" means the individual or organization  
586.24 that is legally responsible for the operation of the center, and granted certification by the  
586.25 commissioner under this chapter.

586.26 **Subd. 5. Certified license-exempt child care center.** "Certified license-exempt child  
586.27 care center" means the commissioner's written authorization for a child care center excluded  
586.28 from licensure under section 245A.03, subdivision 2, paragraph (a), clause (5), (11) to (13),  
586.29 (15), (18), or (26), to register to receive child care assistance payments under chapter 119B.

586.30 **Subd. 6. Disinfecting.** "Disinfecting" means the use of a product capable of destroying  
586.31 or inactivating harmful germs, except bacterial spores, consistent with label directions on

587.1 environmental surfaces including bathroom toilets and floors, diaper-changing surfaces,  
587.2 and surfaces exposed to blood or other bodily fluids.

587.3 **EFFECTIVE DATE.** This section is effective August 1, 2017.

587.4 Sec. 44. **[245G.02] WHO MUST BE CERTIFIED.**

587.5 A program that is exempt from licensure under section 245A.03, subdivision 2, paragraph  
587.6 (a), clause (5), (11) to (13), (15), (18), or (26), and is authorized to receive child care  
587.7 assistance payments under chapter 119B, must be a certified license-exempt child care  
587.8 center according to this section.

587.9 **EFFECTIVE DATE.** This section is effective August 1, 2017.

587.10 Sec. 45. **[245G.03] APPLICATION PROCEDURES.**

587.11 Subdivision 1. **Schedule.** The certification of license-exempt child care centers shall be  
587.12 implemented by September 30, 2017. Certification applications shall be received and  
587.13 processed on a phased-in schedule as determined by the commissioner.

587.14 Subd. 2. **Application submission.** The commissioner shall provide application  
587.15 instructions and information about the rules and requirements of other state agencies that  
587.16 affect the applicant. The certification application must be submitted in a manner prescribed  
587.17 by the commissioner. The commissioner shall act on the application within 90 working days  
587.18 of receiving a completed application.

587.19 Subd. 3. **Incomplete applications.** When the commissioner receives an application for  
587.20 initial certification that is incomplete because the applicant failed to submit required  
587.21 documents or is deficient because the documents submitted do not meet certification  
587.22 requirements, the commissioner shall provide the applicant written notice that the application  
587.23 is incomplete or deficient. In the notice, the commissioner shall identify documents that are  
587.24 missing or deficient and give the applicant 45 days to resubmit a second application that is  
587.25 complete. An applicant's failure to submit a complete application after receiving notice from  
587.26 the commissioner is basis for certification denial.

587.27 **EFFECTIVE DATE.** This section is effective August 1, 2017.

587.28 Sec. 46. **[245G.04] COMMISSIONER'S RIGHT OF ACCESS.**

587.29 (a) When the commissioner is exercising the powers conferred by this chapter, whenever  
587.30 the center is in operation and the information is relevant to the commissioner's inspection  
587.31 or investigation, the commissioner must be given access to:



588.1 (1) the physical facility and grounds where the program is provided;

588.2 (2) documentation and records, including electronically maintained records;

588.3 (3) children served by the center; and

588.4 (4) staff and personnel records of current and former staff.

588.5 (b) The commissioner must be given access without prior notice and as often as the  
588.6 commissioner considers necessary if the commissioner is investigating alleged maltreatment  
588.7 or a violation of a law or rule, or conducting an inspection. When conducting an inspection,  
588.8 the commissioner may request and shall receive assistance from other state, county, and  
588.9 municipal governmental agencies and departments. The applicant or certification holder  
588.10 shall allow the commissioner, at the commissioner's expense, to photocopy, photograph,  
588.11 and make audio and video recordings during an inspection at the commissioner's expense.

588.12 **EFFECTIVE DATE.** This section is effective August 1, 2017.

588.13 Sec. 47. **[245G.05] MONITORING AND INSPECTIONS.**

588.14 (a) The commissioner must conduct an on-site inspection of a certified license-exempt  
588.15 child care center at least annually to determine compliance with the health, safety, and fire  
588.16 standards specific to a certified license-exempt child care center.

588.17 (b) No later than November 19, 2017, the commissioner shall make publicly available  
588.18 on the department's Web site the results of inspection reports for all certified centers including  
588.19 the number of deaths, serious injuries, and instances of substantiated child maltreatment  
588.20 that occurred in certified centers each year.

588.21 **EFFECTIVE DATE.** This section is effective August 1, 2017.

588.22 Sec. 48. **[245G.06] CORRECTION ORDER.**

588.23 Subdivision 1. **Correction order requirements.** If the applicant or certification holder  
588.24 failed to comply with a law or rule, the commissioner may issue a correction order. The  
588.25 correction order must state:

588.26 (1) the condition that constitutes a violation of the law or rule;

588.27 (2) the specific law or rule violated; and

588.28 (3) the time allowed to correct each violation.

588.29 Subd. 2. **Reconsideration request.** (a) If the applicant or certification holder believes  
588.30 that the commissioner's correction order is erroneous, the applicant or certification holder



589.1 may ask the commissioner to reconsider the part of the correction order that is allegedly  
589.2 erroneous. A request for reconsideration must be made in writing, postmarked, and sent to  
589.3 the commissioner within 20 calendar days after the applicant or certification holder received  
589.4 the correction order, and must:

589.5 (1) specify the part of the correction order that is allegedly erroneous;

589.6 (2) explain why the specified part is erroneous; and

589.7 (3) include documentation to support the allegation of error.

589.8 (b) A request for reconsideration does not stay any provision or requirement of the  
589.9 correction order. The commissioner's disposition of a request for reconsideration is final  
589.10 and not subject to appeal.

589.11 Subd. 3. **Decertification following a correction order.** (a) If the commissioner finds  
589.12 that the applicant or certification holder failed to correct the violation specified in the  
589.13 correction order, the commissioner may decertify the license-exempt center pursuant to  
589.14 section 245G.07.

589.15 (b) Nothing in this section prohibits the commissioner from decertifying a center  
589.16 according to section 245G.07.

589.17 **EFFECTIVE DATE.** This section is effective August 1, 2017.

589.18 Sec. 49. **[245G.07] DECERTIFICATION.**

589.19 (a) The commissioner may decertify a center if a certification holder:

589.20 (1) failed to comply with an applicable law or rule; or

589.21 (2) knowingly withheld relevant information from or gave false or misleading information  
589.22 to the commissioner in connection with an application for certification, in connection with  
589.23 the background study status of an individual, during an investigation, or regarding compliance  
589.24 with applicable laws or rules.

589.25 (b) When considering decertification, the commissioner shall consider the nature,  
589.26 chronicity, or severity of the violation of law or rule.

589.27 (c) When a center is decertified, the center is ineligible to receive a child care assistance  
589.28 payment.

589.29 **EFFECTIVE DATE.** This section is effective August 1, 2017.



590.1      Sec. 50. [245G.08] STAFFING REQUIREMENTS.

590.2          Subdivision 1. Staffing requirements. During hours of operation, a certified center  
590.3 must have a director or designee on site who is responsible for overseeing implementation  
590.4 of written policies relating to the management and control of the daily activities of the  
590.5 program, ensuring the health and safety of program participants, and supervising staff and  
590.6 volunteers.

590.7          Subd. 2. Director qualifications. The director must be 18 years of age or older and have  
590.8 completed at least 16 hours of training in any of the following topic areas: child development  
590.9 and learning; developmentally appropriate learning experiences; relationships with families;  
590.10 assessment, evaluation, and individualization; historical and contemporary development of  
590.11 early childhood education; professionalism; and health, safety, and nutrition.

590.12          Subd. 3. Staff qualifications. A staff person must be 16 years of age or older before  
590.13 providing direct, unsupervised care to a child.

590.14          Subd. 4. Maximum group size. (a) For a child six weeks old through 16 months old,  
590.15 the maximum group size shall be no more than eight children.

590.16          (b) For a child 16 months old through 33 months old, the maximum group size shall be  
590.17 no more than 14 children.

590.18          (c) For a child 33 months old through prekindergarten, a maximum group size shall be  
590.19 no more than 20 children.

590.20          (d) For a child in kindergarten through 13 years old, a maximum group size shall be no  
590.21 more than 30 children.

590.22          (e) The maximum group size applies at all times except during group activity coordination  
590.23 time not exceeding 15 minutes, during a meal, outdoor activity, field trip, nap and rest, and  
590.24 special activity including a film, guest speaker, indoor large muscle activity, or holiday  
590.25 program.

590.26          Subd. 5. Ratios. (a) The minimally acceptable staff-to-child ratios are:

590.27	<u>six weeks old through 16 months old</u>	<u>1:4</u>
590.28	<u>16 months old through 33 months old</u>	<u>1:7</u>
590.29	<u>33 months old through prekindergarten</u>	<u>1:10</u>
590.30	<u>kindergarten through 13 years old</u>	<u>1:15</u>

590.31          (b) Kindergarten includes a child of sufficient age to have attended the first day of  
590.32 kindergarten or who is eligible to enter kindergarten within the next four months.

591.1 (c) For mixed groups, the ratio for the age group of the youngest child applies.

591.2 **EFFECTIVE DATE.** This section is effective August 1, 2017.

591.3 Sec. 51. **[245G.10] BACKGROUND STUDIES.**

591.4 Subdivision 1. **Documentation.** (a) The applicant or certification holder must submit  
591.5 and maintain documentation of a completed background study for:

591.6 (1) each person applying for the certification;

591.7 (2) each person identified as a center operator or program operator as defined in section  
591.8 245G.01, subdivision 5;

591.9 (3) each current or prospective staff person or contractor of the certified center who will  
591.10 have direct contact with a child served by the center;

591.11 (4) each volunteer who has direct contact with a child served by the center if the contact  
591.12 is not under the continuous, direct supervision by an individual listed in clause (1), (2), or  
591.13 (3); and

591.14 (5) each managerial staff of the certification holder with oversight and supervision of  
591.15 the certified center.

591.16 (b) To be accepted for certification, a background study on every individual in subdivision  
591.17 1, clause (1), must be completed under chapter 245C and result in a not disqualified  
591.18 determination under section 245C.14 or a disqualification that was set aside under section  
591.19 245C.22.

591.20 Subd. 2. **Direct contact.** (a) The subject of the background study may not provide direct  
591.21 contact services to a child served by a certified center unless the subject is under continuous  
591.22 direct supervision pending completion of the background study.

591.23 (b) The certified center must document in the staff person's personnel file the date the  
591.24 program initiates a background study and the date the subject of the study first had direct  
591.25 contact with a child served by the center.

591.26 **EFFECTIVE DATE.** This section is effective August 1, 2017.

591.27 Sec. 52. **[245G.11] REPORTING.**

591.28 (a) The certification holder must comply with the reporting requirements for abuse and  
591.29 neglect specified in section 626.556. A person mandated to report physical or sexual child



592.1 abuse or neglect occurring within a certified center shall report the information to the  
592.2 commissioner.

592.3 (b) The certification holder must inform the commissioner within 24 hours of:

592.4 (1) the death of a child in the program; and

592.5 (2) any injury to a child in the program that required treatment by a physician.

592.6 **EFFECTIVE DATE.** This section is effective August 1, 2017.

592.7 **Sec. 53. [245G.12] FEES.**

592.8 The commissioner shall consult with stakeholders to develop an administrative fee to  
592.9 implement this chapter. By February 15, 2019, the commissioner shall provide  
592.10 recommendations on the amount of an administrative fee to the legislative committees with  
592.11 jurisdiction over health and human services policy and finance.

592.12 **EFFECTIVE DATE.** This section is effective August 1, 2017.

592.13 **Sec. 54. [245G.13] HEALTH AND SAFETY REQUIREMENTS.**

592.14 Subdivision 1. **Exclusion of sick children and infectious disease outbreak control.**

592.15 (a) A certified center must supervise and isolate a child from other children in the program  
592.16 when a child becomes sick and immediately notify the sick child's parent or legal guardian.

592.17 (b) A certified center must post or give notice to the parent or legal guardian of an  
592.18 exposed child the same day the program is notified of a child's contagious reportable disease  
592.19 specified in Minnesota Rules, part 4605.7040, or scabies, impetigo, ringworm, or chicken  
592.20 pox.

592.21 Subd. 2. **Immunizations.** By a child's date of attendance, the certified center must  
592.22 maintain or have access to a record detailing the child's current immunizations or applicable  
592.23 exemption.

592.24 Subd. 3. **Administration of medication.** (a) A certified center that chooses to administer  
592.25 medicine must meet the requirements in this subdivision.

592.26 (b) The certified center must obtain written permission from the child's parent or legal  
592.27 guardian before administering prescription medicine, diapering product, sunscreen lotion,  
592.28 and insect repellent.

593.1 (c) The certified center must administer nonprescription medicine, diapering product,  
593.2 sunscreen lotion, and insect repellent according to the manufacturer's instructions unless  
593.3 provided written instructions by a licensed health professional to use a product differently.

593.4 (d) The certified center must obtain and follow written instructions from the prescribing  
593.5 health professional before administering prescription medicine. Medicine with the child's  
593.6 first and last name and current prescription information on the label is considered written  
593.7 instructions.

593.8 (e) The certified center must ensure all medicine is:

593.9 (1) kept in the medicine's original container with a legible label stating the child's first  
593.10 and last name;

593.11 (2) given only to the child whose name is on the label;

593.12 (3) not given after an expiration date on the label; and

593.13 (4) returned to the child's parent or legal guardian or destroyed, if unused.

593.14 (f) The certified center must document in the child's record the administration of  
593.15 medication, including the child's first and last name; the name of the medication or  
593.16 prescription number; the date, time, and dosage; and the name and signature of the person  
593.17 who administered the medicine. This documentation must be available to the child's parent  
593.18 or legal guardian.

593.19 (g) The certified center must store medicines, insect repellents, and diapering products  
593.20 according to directions on the original container.

593.21 Subd. 4. **Preventing and responding to allergies.** (a) Before admitting a child for care,  
593.22 the certified center must obtain documentation of any known allergies from the child's parent  
593.23 or legal guardian. The certified center must maintain current allergy information in each  
593.24 child's record. The allergy information must include:

593.25 (1) a description of the allergy, specific triggers, avoidance techniques, and symptoms  
593.26 of an allergic reaction; and

593.27 (2) procedures for responding to an allergic reaction, including medication, dosages,  
593.28 and a doctor's contact information.

593.29 (b) The certified center must inform staff of each child's current allergy information. At  
593.30 least annually and when a change is made to allergy-related information in a child's record,  
593.31 the certified center must inform staff of any change. Documentation that staff were informed  
593.32 of the child's current allergy information must be kept on site.



594.1 (c) A child's allergy information must be available at all times including on site, when  
594.2 on field trips, or during transportation. Food allergy information must be readily available  
594.3 to staff in the area where food is prepared and served to the child.

594.4 Subd. 5. **Building and physical premises; free of hazards.** (a) The certified center  
594.5 must document compliance with the State Fire Code by providing documentation of a fire  
594.6 marshal inspection completed within the previous three years by a state fire marshal or a  
594.7 local fire code inspector trained by the state fire marshal.

594.8 (b) The certified center must designate a primary indoor and outdoor space used for  
594.9 child care on a facility site floor plan.

594.10 (c) The certified center must ensure the areas used by a child are clean and in good repair,  
594.11 with structurally sound and functional furniture and equipment that is appropriate to the  
594.12 age and size of a child who uses the area.

594.13 (d) The certified center must ensure hazardous items including but not limited to sharp  
594.14 objects, medicines, cleaning supplies, poisonous plants, and chemicals are out of reach of  
594.15 a child.

594.16 (e) The certified center must safely handle and dispose of bodily fluids and other  
594.17 potentially infectious fluids by using gloves, disinfecting surfaces that come in contact with  
594.18 potentially infectious bodily fluids, and disposing of bodily fluid in a securely sealed plastic  
594.19 bag.

594.20 Subd. 6. **Transporting children.** (a) If a certified center chooses to transport a child,  
594.21 the certified center must ensure that the driver of the vehicle holds a valid driver's license,  
594.22 appropriate to the vehicle driven.

594.23 (b) If a certified center chooses to transport a child, the center must comply with all seat  
594.24 belt and child passenger restraint system requirements under sections 169.685 and 169.686.

594.25 **EFFECTIVE DATE.** This section is effective August 1, 2017.

594.26 Sec. 55. **[245G.14] TRAINING REQUIREMENTS.**

594.27 Subdivision 1. **First aid and cardiopulmonary resuscitation.** At least one designated  
594.28 staff person who completed pediatric first aid training and pediatric cardiopulmonary  
594.29 resuscitation (CPR) training must be present at all times at the program, during field trips,  
594.30 and when transporting a child. The designated staff person must repeat pediatric first aid  
594.31 training and pediatric CPR training at least once every two years.

595.1 Subd. 2. **Sudden unexpected infant death.** A certified center that cares for an infant  
595.2 who is younger than one year of age must ensure that staff persons and volunteers receive  
595.3 training according to section 245A.1435 on reducing the risk of sudden unexpected infant  
595.4 death before assisting in the care of an infant.

595.5 Subd. 3. **Abusive head trauma.** A certified center that cares for a child through four  
595.6 years of age must ensure that staff persons and volunteers receive training on abusive head  
595.7 trauma from shaking infants and young children before assisting in the care of a child through  
595.8 four years of age.

595.9 Subd. 4. **Child development.** The certified center must ensure each staff person completes  
595.10 at least two hours of child development and learning training within 14 days of employment  
595.11 and annually thereafter. For purposes of this subdivision, "child development and learning  
595.12 training" means how a child develops physically, cognitively, emotionally, and socially and  
595.13 learns as part of the child's family, culture, and community.

595.14 Subd. 5. **Orientation.** The certified center must ensure each staff person is trained at  
595.15 orientation on health and safety requirements in sections 245G.11, 245G.13, 245G.14, and  
595.16 245G.15. The certified center must provide staff with an orientation within 14 days of  
595.17 employment. Before the completion of orientation, a staff person must be supervised while  
595.18 providing direct care to a child.

595.19 Subd. 6. **In service.** (a) The certified center must ensure each staff person is trained at  
595.20 least annually on health and safety requirements in sections 245G.11, 245G.13, 245G.14,  
595.21 and 245G.15.

595.22 (b) Each staff person must annually complete at least six hours of training. Training  
595.23 required under paragraph (a) may be used toward the hourly training requirements of this  
595.24 subdivision.

595.25 Subd. 7. **Documentation.** A certified center must document the date of a completed  
595.26 training required by this section in the personnel record of each staff person.

595.27 **EFFECTIVE DATE.** This section is effective August 1, 2017.

595.28 Sec. 56. **[245G.15] EMERGENCY PREPAREDNESS.**

595.29 Subdivision 1. **Written emergency plan.** (a) A certified center must have a written  
595.30 emergency plan for emergencies that require evacuation, sheltering, or other protection of  
595.31 children, such as fire, natural disaster, intruder, or other threatening situation that may pose  
595.32 a health or safety hazard to children. The plan must be written on a form developed by the



596.1 commissioner and reviewed and updated at least once each calendar year. The annual review  
596.2 of the emergency plan must be documented.

596.3 (b) The plan must include:

596.4 (1) procedures for an evacuation, relocation, shelter-in-place, or lockdown;

596.5 (2) a designated relocation site and evacuation route;

596.6 (3) procedures for notifying a child's parent or legal guardian of the relocation and  
596.7 reunification with families;

596.8 (4) accommodations for a child with a disability or a chronic medical condition;

596.9 (5) procedures for storing a child's medically necessary medicine that facilitates easy  
596.10 removal during an evacuation or relocation;

596.11 (6) procedures for continuing operations in the period during and after a crisis; and

596.12 (7) procedures for communicating with local emergency management officials, law  
596.13 enforcement officials, or other appropriate state or local authorities.

596.14 (c) The certification holder must have an emergency plan available for review upon  
596.15 request by the child's parent or legal guardian.

596.16 Subd. 2. **Staff person training.** The certification holder must train a staff person at  
596.17 orientation and at least once each calendar year on the emergency plan and document training  
596.18 in each personnel file. The certified center must conduct at least quarterly one evacuation  
596.19 drill and one shelter-in-place drill. The date and time of the drills must be documented.

596.20 **EFFECTIVE DATE.** This section is effective August 1, 2017.

596.21 Sec. 57. **[245G.16] PERSONNEL RECORD.**

596.22 The certification holder must maintain a personnel record for each staff person at the  
596.23 program that must contain:

596.24 (1) the staff person's name, home address, telephone number, and date of birth;

596.25 (2) documentation that the staff person completed training required by section 245G.14;

596.26 (3) documentation of the date the program initiated a background study for the staff  
596.27 person; and

596.28 (4) documentation of the date the staff person first had direct contact and access to a  
596.29 child while supervised, and the date the staff person first had direct contact and access to a  
596.30 child while unsupervised.

597.1 **EFFECTIVE DATE.** This section is effective August 1, 2017.

597.2 Sec. 58. **[245G.17] CERTIFICATION STANDARDS.**

597.3 The commissioner shall regularly consult with stakeholders for input related to  
597.4 implementing the standards in this chapter.

597.5 **EFFECTIVE DATE.** This section is effective August 1, 2017.

597.6 Sec. 59. **[245G.18] PARENTAL ACCESS.**

597.7 An enrolled child's parent or legal guardian must be allowed access to the parent's or  
597.8 legal guardian's child at any time while the child is in care.

597.9 **EFFECTIVE DATE.** This section is effective August 1, 2017.

597.10 Sec. 60. Minnesota Statutes 2016, section 626.556, subdivision 2, is amended to read:

597.11 Subd. 2. **Definitions.** As used in this section, the following terms have the meanings  
597.12 given them unless the specific content indicates otherwise:

597.13 (a) "Accidental" means a sudden, not reasonably foreseeable, and unexpected occurrence  
597.14 or event which:

597.15 (1) is not likely to occur and could not have been prevented by exercise of due care; and

597.16 (2) if occurring while a child is receiving services from a facility, happens when the  
597.17 facility and the employee or person providing services in the facility are in compliance with  
597.18 the laws and rules relevant to the occurrence or event.

597.19 (b) "Commissioner" means the commissioner of human services.

597.20 (c) "Facility" means:

597.21 (1) a licensed or unlicensed day care facility, certified license-exempt child care center,  
597.22 residential facility, agency, hospital, sanitarium, or other facility or institution required to  
597.23 be licensed under sections 144.50 to 144.58, 241.021, or 245A.01 to 245A.16, or chapter  
597.24 245D or 245G;

597.25 (2) a school as defined in section 120A.05, subdivisions 9, 11, and 13; and chapter 124E;  
597.26 or

597.27 (3) a nonlicensed personal care provider organization as defined in section 256B.0625,  
597.28 subdivision 19a.



598.1 (d) "Family assessment" means a comprehensive assessment of child safety, risk of  
598.2 subsequent child maltreatment, and family strengths and needs that is applied to a child  
598.3 maltreatment report that does not allege sexual abuse or substantial child endangerment.  
598.4 Family assessment does not include a determination as to whether child maltreatment  
598.5 occurred but does determine the need for services to address the safety of family members  
598.6 and the risk of subsequent maltreatment.

598.7 (e) "Investigation" means fact gathering related to the current safety of a child and the  
598.8 risk of subsequent maltreatment that determines whether child maltreatment occurred and  
598.9 whether child protective services are needed. An investigation must be used when reports  
598.10 involve sexual abuse or substantial child endangerment, and for reports of maltreatment in  
598.11 facilities required to be licensed or certified under chapter 245A or, 245D, or 245G; under  
598.12 sections 144.50 to 144.58 and 241.021; in a school as defined in section 120A.05,  
598.13 subdivisions 9, 11, and 13, and chapter 124E; or in a nonlicensed personal care provider  
598.14 association as defined in section 256B.0625, subdivision 19a.

598.15 (f) "Mental injury" means an injury to the psychological capacity or emotional stability  
598.16 of a child as evidenced by an observable or substantial impairment in the child's ability to  
598.17 function within a normal range of performance and behavior with due regard to the child's  
598.18 culture.

598.19 (g) "Neglect" means the commission or omission of any of the acts specified under  
598.20 clauses (1) to (9), other than by accidental means:

598.21 (1) failure by a person responsible for a child's care to supply a child with necessary  
598.22 food, clothing, shelter, health, medical, or other care required for the child's physical or  
598.23 mental health when reasonably able to do so;

598.24 (2) failure to protect a child from conditions or actions that seriously endanger the child's  
598.25 physical or mental health when reasonably able to do so, including a growth delay, which  
598.26 may be referred to as a failure to thrive, that has been diagnosed by a physician and is due  
598.27 to parental neglect;

598.28 (3) failure to provide for necessary supervision or child care arrangements appropriate  
598.29 for a child after considering factors as the child's age, mental ability, physical condition,  
598.30 length of absence, or environment, when the child is unable to care for the child's own basic  
598.31 needs or safety, or the basic needs or safety of another child in their care;

598.32 (4) failure to ensure that the child is educated as defined in sections 120A.22 and  
598.33 260C.163, subdivision 11, which does not include a parent's refusal to provide the parent's

599.1 child with sympathomimetic medications, consistent with section 125A.091, subdivision  
599.2 5;

599.3 (5) nothing in this section shall be construed to mean that a child is neglected solely  
599.4 because the child's parent, guardian, or other person responsible for the child's care in good  
599.5 faith selects and depends upon spiritual means or prayer for treatment or care of disease or  
599.6 remedial care of the child in lieu of medical care; except that a parent, guardian, or caretaker,  
599.7 or a person mandated to report pursuant to subdivision 3, has a duty to report if a lack of  
599.8 medical care may cause serious danger to the child's health. This section does not impose  
599.9 upon persons, not otherwise legally responsible for providing a child with necessary food,  
599.10 clothing, shelter, education, or medical care, a duty to provide that care;

599.11 (6) prenatal exposure to a controlled substance, as defined in section 253B.02, subdivision  
599.12 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in  
599.13 the child at birth, results of a toxicology test performed on the mother at delivery or the  
599.14 child at birth, medical effects or developmental delays during the child's first year of life  
599.15 that medically indicate prenatal exposure to a controlled substance, or the presence of a  
599.16 fetal alcohol spectrum disorder;

599.17 (7) "medical neglect" as defined in section 260C.007, subdivision 6, clause (5);

599.18 (8) chronic and severe use of alcohol or a controlled substance by a parent or person  
599.19 responsible for the care of the child that adversely affects the child's basic needs and safety;  
599.20 or

599.21 (9) emotional harm from a pattern of behavior which contributes to impaired emotional  
599.22 functioning of the child which may be demonstrated by a substantial and observable effect  
599.23 in the child's behavior, emotional response, or cognition that is not within the normal range  
599.24 for the child's age and stage of development, with due regard to the child's culture.

599.25 (h) "Nonmaltreatment mistake" means:

599.26 (1) at the time of the incident, the individual was performing duties identified in the  
599.27 center's child care program plan required under Minnesota Rules, part 9503.0045;

599.28 (2) the individual has not been determined responsible for a similar incident that resulted  
599.29 in a finding of maltreatment for at least seven years;

599.30 (3) the individual has not been determined to have committed a similar nonmaltreatment  
599.31 mistake under this paragraph for at least four years;



600.1 (4) any injury to a child resulting from the incident, if treated, is treated only with  
600.2 remedies that are available over the counter, whether ordered by a medical professional or  
600.3 not; and

600.4 (5) except for the period when the incident occurred, the facility and the individual  
600.5 providing services were both in compliance with all licensing requirements relevant to the  
600.6 incident.

600.7 This definition only applies to child care centers licensed under Minnesota Rules, chapter  
600.8 9503. If clauses (1) to (5) apply, rather than making a determination of substantiated  
600.9 maltreatment by the individual, the commissioner of human services shall determine that a  
600.10 nonmaltreatment mistake was made by the individual.

600.11 (i) "Operator" means an operator or agency as defined in section 245A.02.

600.12 (j) "Person responsible for the child's care" means (1) an individual functioning within  
600.13 the family unit and having responsibilities for the care of the child such as a parent, guardian,  
600.14 or other person having similar care responsibilities, or (2) an individual functioning outside  
600.15 the family unit and having responsibilities for the care of the child such as a teacher, school  
600.16 administrator, other school employees or agents, or other lawful custodian of a child having  
600.17 either full-time or short-term care responsibilities including, but not limited to, day care,  
600.18 babysitting whether paid or unpaid, counseling, teaching, and coaching.

600.19 (k) "Physical abuse" means any physical injury, mental injury, or threatened injury,  
600.20 inflicted by a person responsible for the child's care on a child other than by accidental  
600.21 means, or any physical or mental injury that cannot reasonably be explained by the child's  
600.22 history of injuries, or any aversive or deprivation procedures, or regulated interventions,  
600.23 that have not been authorized under section 125A.0942 or 245.825.

600.24 Abuse does not include reasonable and moderate physical discipline of a child  
600.25 administered by a parent or legal guardian which does not result in an injury. Abuse does  
600.26 not include the use of reasonable force by a teacher, principal, or school employee as allowed  
600.27 by section 121A.582. Actions which are not reasonable and moderate include, but are not  
600.28 limited to, any of the following:

600.29 (1) throwing, kicking, burning, biting, or cutting a child;

600.30 (2) striking a child with a closed fist;

600.31 (3) shaking a child under age three;

600.32 (4) striking or other actions which result in any nonaccidental injury to a child under 18  
600.33 months of age;

- 601.1 (5) unreasonable interference with a child's breathing;
- 601.2 (6) threatening a child with a weapon, as defined in section 609.02, subdivision 6;
- 601.3 (7) striking a child under age one on the face or head;
- 601.4 (8) striking a child who is at least age one but under age four on the face or head, which  
601.5 results in an injury;
- 601.6 (9) purposely giving a child poison, alcohol, or dangerous, harmful, or controlled  
601.7 substances which were not prescribed for the child by a practitioner, in order to control or  
601.8 punish the child; or other substances that substantially affect the child's behavior, motor  
601.9 coordination, or judgment or that results in sickness or internal injury, or subjects the child  
601.10 to medical procedures that would be unnecessary if the child were not exposed to the  
601.11 substances;
- 601.12 (10) unreasonable physical confinement or restraint not permitted under section 609.379,  
601.13 including but not limited to tying, caging, or chaining; or
- 601.14 (11) in a school facility or school zone, an act by a person responsible for the child's  
601.15 care that is a violation under section 121A.58.
- 601.16 (l) "Practice of social services," for the purposes of subdivision 3, includes but is not  
601.17 limited to employee assistance counseling and the provision of guardian ad litem and  
601.18 parenting time expeditor services.
- 601.19 (m) "Report" means any communication received by the local welfare agency, police  
601.20 department, county sheriff, or agency responsible for child protection pursuant to this section  
601.21 that describes neglect or physical or sexual abuse of a child and contains sufficient content  
601.22 to identify the child and any person believed to be responsible for the neglect or abuse, if  
601.23 known.
- 601.24 (n) "Sexual abuse" means the subjection of a child by a person responsible for the child's  
601.25 care, by a person who has a significant relationship to the child, as defined in section 609.341,  
601.26 or by a person in a position of authority, as defined in section 609.341, subdivision 10, to  
601.27 any act which constitutes a violation of section 609.342 (criminal sexual conduct in the first  
601.28 degree), 609.343 (criminal sexual conduct in the second degree), 609.344 (criminal sexual  
601.29 conduct in the third degree), 609.345 (criminal sexual conduct in the fourth degree), or  
601.30 609.3451 (criminal sexual conduct in the fifth degree). Sexual abuse also includes any act  
601.31 which involves a minor which constitutes a violation of prostitution offenses under sections  
601.32 609.321 to 609.324 or 617.246. Effective May 29, 2017, sexual abuse includes all reports  
601.33 of known or suspected child sex trafficking involving a child who is identified as a victim



602.1 of sex trafficking. Sexual abuse includes child sex trafficking as defined in section 609.321,  
602.2 subdivisions 7a and 7b. Sexual abuse includes threatened sexual abuse which includes the  
602.3 status of a parent or household member who has committed a violation which requires  
602.4 registration as an offender under section 243.166, subdivision 1b, paragraph (a) or (b), or  
602.5 required registration under section 243.166, subdivision 1b, paragraph (a) or (b).

602.6 (o) "Substantial child endangerment" means a person responsible for a child's care, by  
602.7 act or omission, commits or attempts to commit an act against a child under their care that  
602.8 constitutes any of the following:

602.9 (1) egregious harm as defined in section 260C.007, subdivision 14;

602.10 (2) abandonment under section 260C.301, subdivision 2;

602.11 (3) neglect as defined in paragraph (g), clause (2), that substantially endangers the child's  
602.12 physical or mental health, including a growth delay, which may be referred to as failure to  
602.13 thrive, that has been diagnosed by a physician and is due to parental neglect;

602.14 (4) murder in the first, second, or third degree under section 609.185, 609.19, or 609.195;

602.15 (5) manslaughter in the first or second degree under section 609.20 or 609.205;

602.16 (6) assault in the first, second, or third degree under section 609.221, 609.222, or 609.223;

602.17 (7) solicitation, inducement, and promotion of prostitution under section 609.322;

602.18 (8) criminal sexual conduct under sections 609.342 to 609.3451;

602.19 (9) solicitation of children to engage in sexual conduct under section 609.352;

602.20 (10) malicious punishment or neglect or endangerment of a child under section 609.377  
602.21 or 609.378;

602.22 (11) use of a minor in sexual performance under section 617.246; or

602.23 (12) parental behavior, status, or condition which mandates that the county attorney file  
602.24 a termination of parental rights petition under section 260C.503, subdivision 2.

602.25 (p) "Threatened injury" means a statement, overt act, condition, or status that represents  
602.26 a substantial risk of physical or sexual abuse or mental injury. Threatened injury includes,  
602.27 but is not limited to, exposing a child to a person responsible for the child's care, as defined  
602.28 in paragraph (j), clause (1), who has:

602.29 (1) subjected a child to, or failed to protect a child from, an overt act or condition that  
602.30 constitutes egregious harm, as defined in section 260C.007, subdivision 14, or a similar law  
602.31 of another jurisdiction;

603.1 (2) been found to be palpably unfit under section 260C.301, subdivision 1, paragraph  
603.2 (b), clause (4), or a similar law of another jurisdiction;

603.3 (3) committed an act that has resulted in an involuntary termination of parental rights  
603.4 under section 260C.301, or a similar law of another jurisdiction; or

603.5 (4) committed an act that has resulted in the involuntary transfer of permanent legal and  
603.6 physical custody of a child to a relative under Minnesota Statutes 2010, section 260C.201,  
603.7 subdivision 11, paragraph (d), clause (1), section 260C.515, subdivision 4, or a similar law  
603.8 of another jurisdiction.

603.9 A child is the subject of a report of threatened injury when the responsible social services  
603.10 agency receives birth match data under paragraph (q) from the Department of Human  
603.11 Services.

603.12 (q) Upon receiving data under section 144.225, subdivision 2b, contained in a birth  
603.13 record or recognition of parentage identifying a child who is subject to threatened injury  
603.14 under paragraph (p), the Department of Human Services shall send the data to the responsible  
603.15 social services agency. The data is known as "birth match" data. Unless the responsible  
603.16 social services agency has already begun an investigation or assessment of the report due  
603.17 to the birth of the child or execution of the recognition of parentage and the parent's previous  
603.18 history with child protection, the agency shall accept the birth match data as a report under  
603.19 this section. The agency may use either a family assessment or investigation to determine  
603.20 whether the child is safe. All of the provisions of this section apply. If the child is determined  
603.21 to be safe, the agency shall consult with the county attorney to determine the appropriateness  
603.22 of filing a petition alleging the child is in need of protection or services under section  
603.23 260C.007, subdivision 6, clause (16), in order to deliver needed services. If the child is  
603.24 determined not to be safe, the agency and the county attorney shall take appropriate action  
603.25 as required under section 260C.503, subdivision 2.

603.26 (r) Persons who conduct assessments or investigations under this section shall take into  
603.27 account accepted child-rearing practices of the culture in which a child participates and  
603.28 accepted teacher discipline practices, which are not injurious to the child's health, welfare,  
603.29 and safety.

603.30 **EFFECTIVE DATE.** This section is effective August 1, 2017.

603.31 Sec. 61. Minnesota Statutes 2016, section 626.556, subdivision 3, is amended to read:

603.32 Subd. 3. **Persons mandated to report; persons voluntarily reporting.** (a) A person  
603.33 who knows or has reason to believe a child is being neglected or physically or sexually



604.1 abused, as defined in subdivision 2, or has been neglected or physically or sexually abused  
604.2 within the preceding three years, shall immediately report the information to the local welfare  
604.3 agency, agency responsible for assessing or investigating the report, police department,  
604.4 county sheriff, tribal social services agency, or tribal police department if the person is:

604.5 (1) a professional or professional's delegate who is engaged in the practice of the healing  
604.6 arts, social services, hospital administration, psychological or psychiatric treatment, child  
604.7 care, education, correctional supervision, probation and correctional services, or law  
604.8 enforcement; or

604.9 (2) employed as a member of the clergy and received the information while engaged in  
604.10 ministerial duties, provided that a member of the clergy is not required by this subdivision  
604.11 to report information that is otherwise privileged under section 595.02, subdivision 1,  
604.12 paragraph (c).

604.13 (b) Any person may voluntarily report to the local welfare agency, agency responsible  
604.14 for assessing or investigating the report, police department, county sheriff, tribal social  
604.15 services agency, or tribal police department if the person knows, has reason to believe, or  
604.16 suspects a child is being or has been neglected or subjected to physical or sexual abuse.

604.17 (c) A person mandated to report physical or sexual child abuse or neglect occurring  
604.18 within a licensed facility shall report the information to the agency responsible for licensing  
604.19 or certifying the facility under sections 144.50 to 144.58; 241.021; 245A.01 to 245A.16;  
604.20 or chapter 245D or 245G; or a nonlicensed personal care provider organization as defined  
604.21 in section 256B.0625, subdivision 19. A health or corrections agency receiving a report  
604.22 may request the local welfare agency to provide assistance pursuant to subdivisions 10, 10a,  
604.23 and 10b. A board or other entity whose licensees perform work within a school facility,  
604.24 upon receiving a complaint of alleged maltreatment, shall provide information about the  
604.25 circumstances of the alleged maltreatment to the commissioner of education. Section 13.03,  
604.26 subdivision 4, applies to data received by the commissioner of education from a licensing  
604.27 entity.

604.28 (d) Notification requirements under subdivision 10 apply to all reports received under  
604.29 this section.

604.30 (e) For purposes of this section, "immediately" means as soon as possible but in no event  
604.31 longer than 24 hours.

604.32 **EFFECTIVE DATE.** This section is effective August 1, 2017.

605.1 Sec. 62. Minnesota Statutes 2016, section 626.556, subdivision 3c, is amended to read:

605.2 Subd. 3c. **Local welfare agency, Department of Human Services or Department of**  
605.3 **Health responsible for assessing or investigating reports of maltreatment.** (a) The ~~county~~  
605.4 local welfare agency is the agency responsible for assessing or investigating allegations of  
605.5 maltreatment in child foster care, family child care, legally ~~unlicensed~~ nonlicensed child  
605.6 care, ~~juvenile correctional facilities licensed under section 241.021 located in the local~~  
605.7 ~~welfare agency's county~~, and reports involving children served by an unlicensed personal  
605.8 care provider organization under section 256B.0659. Copies of findings related to personal  
605.9 care provider organizations under section 256B.0659 must be forwarded to the Department  
605.10 of Human Services provider enrollment.

605.11 (b) The Department of Human Services is the agency responsible for assessing or  
605.12 investigating allegations of maltreatment in juvenile correctional facilities listed under  
605.13 section 241.021 located in the local welfare agency's county and in facilities licensed or  
605.14 certified under chapters 245A and, 245D, and 245G, except for child foster care and family  
605.15 child care.

605.16 (c) The Department of Health is the agency responsible for assessing or investigating  
605.17 allegations of child maltreatment in facilities licensed under sections 144.50 to 144.58 and  
605.18 144A.43 to 144A.482.

605.19 Sec. 63. Minnesota Statutes 2016, section 626.556, subdivision 4, is amended to read:

605.20 Subd. 4. **Immunity from liability.** (a) The following persons are immune from any civil  
605.21 or criminal liability that otherwise might result from their actions, if they are acting in good  
605.22 faith:

605.23 (1) any person making a voluntary or mandated report under subdivision 3 or under  
605.24 section 626.5561 or assisting in an assessment under this section or under section 626.5561;

605.25 (2) any person with responsibility for performing duties under this section or supervisor  
605.26 employed by a local welfare agency, the commissioner of an agency responsible for operating  
605.27 or supervising a licensed or unlicensed day care facility, residential facility, agency, hospital,  
605.28 sanitarium, or other facility or institution required to be licensed or certified under sections  
605.29 144.50 to 144.58; 241.021; 245A.01 to 245A.16; or chapter 245B; or 245G; or a school as  
605.30 defined in section 120A.05, subdivisions 9, 11, and 13; and chapter 124E; or a nonlicensed  
605.31 personal care provider organization as defined in section 256B.0625, subdivision 19a,  
605.32 complying with subdivision 10d; and



606.1 (3) any public or private school, facility as defined in subdivision 2, or the employee of  
606.2 any public or private school or facility who permits access by a local welfare agency, the  
606.3 Department of Education, or a local law enforcement agency and assists in an investigation  
606.4 or assessment pursuant to subdivision 10 or under section 626.5561.

606.5 (b) A person who is a supervisor or person with responsibility for performing duties  
606.6 under this section employed by a local welfare agency, the commissioner of human services,  
606.7 or the commissioner of education complying with subdivisions 10 and 11 or section 626.5561  
606.8 or any related rule or provision of law is immune from any civil or criminal liability that  
606.9 might otherwise result from the person's actions, if the person is (1) acting in good faith  
606.10 and exercising due care, or (2) acting in good faith and following the information collection  
606.11 procedures established under subdivision 10, paragraphs (h), (i), and (j).

606.12 (c) This subdivision does not provide immunity to any person for failure to make a  
606.13 required report or for committing neglect, physical abuse, or sexual abuse of a child.

606.14 (d) If a person who makes a voluntary or mandatory report under subdivision 3 prevails  
606.15 in a civil action from which the person has been granted immunity under this subdivision,  
606.16 the court may award the person attorney fees and costs.

606.17 **EFFECTIVE DATE.** This section is effective August 1, 2017.

606.18 Sec. 64. Minnesota Statutes 2016, section 626.556, subdivision 10d, is amended to read:

606.19 Subd. 10d. **Notification of neglect or abuse in facility.** (a) When a report is received  
606.20 that alleges neglect, physical abuse, sexual abuse, or maltreatment of a child while in the  
606.21 care of a licensed or unlicensed day care facility, residential facility, agency, hospital,  
606.22 sanitarium, or other facility or institution required to be licensed or certified according to  
606.23 sections 144.50 to 144.58; 241.021; or 245A.01 to 245A.16; or chapter 245D or 245G, or  
606.24 a school as defined in section 120A.05, subdivisions 9, 11, and 13; and chapter 124E; or a  
606.25 nonlicensed personal care provider organization as defined in section 256B.0625, subdivision  
606.26 19a, the commissioner of the agency responsible for assessing or investigating the report  
606.27 or local welfare agency investigating the report shall provide the following information to  
606.28 the parent, guardian, or legal custodian of a child alleged to have been neglected, physically  
606.29 abused, sexually abused, or the victim of maltreatment of a child in the facility: the name  
606.30 of the facility; the fact that a report alleging neglect, physical abuse, sexual abuse, or  
606.31 maltreatment of a child in the facility has been received; the nature of the alleged neglect,  
606.32 physical abuse, sexual abuse, or maltreatment of a child in the facility; that the agency is  
606.33 conducting an assessment or investigation; any protective or corrective measures being

607.1 taken pending the outcome of the investigation; and that a written memorandum will be  
607.2 provided when the investigation is completed.

607.3 (b) The commissioner of the agency responsible for assessing or investigating the report  
607.4 or local welfare agency may also provide the information in paragraph (a) to the parent,  
607.5 guardian, or legal custodian of any other child in the facility if the investigative agency  
607.6 knows or has reason to believe the alleged neglect, physical abuse, sexual abuse, or  
607.7 maltreatment of a child in the facility has occurred. In determining whether to exercise this  
607.8 authority, the commissioner of the agency responsible for assessing or investigating the  
607.9 report or local welfare agency shall consider the seriousness of the alleged neglect, physical  
607.10 abuse, sexual abuse, or maltreatment of a child in the facility; the number of children  
607.11 allegedly neglected, physically abused, sexually abused, or victims of maltreatment of a  
607.12 child in the facility; the number of alleged perpetrators; and the length of the investigation.  
607.13 The facility shall be notified whenever this discretion is exercised.

607.14 (c) When the commissioner of the agency responsible for assessing or investigating the  
607.15 report or local welfare agency has completed its investigation, every parent, guardian, or  
607.16 legal custodian previously notified of the investigation by the commissioner or local welfare  
607.17 agency shall be provided with the following information in a written memorandum: the  
607.18 name of the facility investigated; the nature of the alleged neglect, physical abuse, sexual  
607.19 abuse, or maltreatment of a child in the facility; the investigator's name; a summary of the  
607.20 investigation findings; a statement whether maltreatment was found; and the protective or  
607.21 corrective measures that are being or will be taken. The memorandum shall be written in a  
607.22 manner that protects the identity of the reporter and the child and shall not contain the name,  
607.23 or to the extent possible, reveal the identity of the alleged perpetrator or of those interviewed  
607.24 during the investigation. If maltreatment is determined to exist, the commissioner or local  
607.25 welfare agency shall also provide the written memorandum to the parent, guardian, or legal  
607.26 custodian of each child in the facility who had contact with the individual responsible for  
607.27 the maltreatment. When the facility is the responsible party for maltreatment, the  
607.28 commissioner or local welfare agency shall also provide the written memorandum to the  
607.29 parent, guardian, or legal custodian of each child who received services in the population  
607.30 of the facility where the maltreatment occurred. This notification must be provided to the  
607.31 parent, guardian, or legal custodian of each child receiving services from the time the  
607.32 maltreatment occurred until either the individual responsible for maltreatment is no longer  
607.33 in contact with a child or children in the facility or the conclusion of the investigation. In  
607.34 the case of maltreatment within a school facility, as defined in section 120A.05, subdivisions  
607.35 9, 11, and 13, and chapter 124E, the commissioner of education need not provide notification



608.1 to parents, guardians, or legal custodians of each child in the facility, but shall, within ten  
608.2 days after the investigation is completed, provide written notification to the parent, guardian,  
608.3 or legal custodian of any student alleged to have been maltreated. The commissioner of  
608.4 education may notify the parent, guardian, or legal custodian of any student involved as a  
608.5 witness to alleged maltreatment.

608.6 **EFFECTIVE DATE.** This section is effective August 1, 2017.

608.7 Sec. 65. Minnesota Statutes 2016, section 626.556, subdivision 10e, is amended to read:

608.8 Subd. 10e. **Determinations.** (a) The local welfare agency shall conclude the family  
608.9 assessment or the investigation within 45 days of the receipt of a report. The conclusion of  
608.10 the assessment or investigation may be extended to permit the completion of a criminal  
608.11 investigation or the receipt of expert information requested within 45 days of the receipt of  
608.12 the report.

608.13 (b) After conducting a family assessment, the local welfare agency shall determine  
608.14 whether services are needed to address the safety of the child and other family members  
608.15 and the risk of subsequent maltreatment.

608.16 (c) After conducting an investigation, the local welfare agency shall make two  
608.17 determinations: first, whether maltreatment has occurred; and second, whether child  
608.18 protective services are needed. No determination of maltreatment shall be made when the  
608.19 alleged perpetrator is a child under the age of ten.

608.20 (d) If the commissioner of education conducts an assessment or investigation, the  
608.21 commissioner shall determine whether maltreatment occurred and what corrective or  
608.22 protective action was taken by the school facility. If a determination is made that  
608.23 maltreatment has occurred, the commissioner shall report to the employer, the school board,  
608.24 and any appropriate licensing entity the determination that maltreatment occurred and what  
608.25 corrective or protective action was taken by the school facility. In all other cases, the  
608.26 commissioner shall inform the school board or employer that a report was received, the  
608.27 subject of the report, the date of the initial report, the category of maltreatment alleged as  
608.28 defined in paragraph (f), the fact that maltreatment was not determined, and a summary of  
608.29 the specific reasons for the determination.

608.30 (e) When maltreatment is determined in an investigation involving a facility, the  
608.31 investigating agency shall also determine whether the facility or individual was responsible,  
608.32 or whether both the facility and the individual were responsible for the maltreatment using  
608.33 the mitigating factors in paragraph (i). Determinations under this subdivision must be made

609.1 based on a preponderance of the evidence and are private data on individuals or nonpublic  
609.2 data as maintained by the commissioner of education.

609.3 (f) For the purposes of this subdivision, "maltreatment" means any of the following acts  
609.4 or omissions:

609.5 (1) physical abuse as defined in subdivision 2, paragraph (k);

609.6 (2) neglect as defined in subdivision 2, paragraph (g);

609.7 (3) sexual abuse as defined in subdivision 2, paragraph (n);

609.8 (4) mental injury as defined in subdivision 2, paragraph (f); or

609.9 (5) maltreatment of a child in a facility as defined in subdivision 2, paragraph (c).

609.10 (g) For the purposes of this subdivision, a determination that child protective services  
609.11 are needed means that the local welfare agency has documented conditions during the  
609.12 assessment or investigation sufficient to cause a child protection worker, as defined in  
609.13 section 626.559, subdivision 1, to conclude that a child is at significant risk of maltreatment  
609.14 if protective intervention is not provided and that the individuals responsible for the child's  
609.15 care have not taken or are not likely to take actions to protect the child from maltreatment  
609.16 or risk of maltreatment.

609.17 (h) This subdivision does not mean that maltreatment has occurred solely because the  
609.18 child's parent, guardian, or other person responsible for the child's care in good faith selects  
609.19 and depends upon spiritual means or prayer for treatment or care of disease or remedial care  
609.20 of the child, in lieu of medical care. However, if lack of medical care may result in serious  
609.21 danger to the child's health, the local welfare agency may ensure that necessary medical  
609.22 services are provided to the child.

609.23 (i) When determining whether the facility or individual is the responsible party, or  
609.24 whether both the facility and the individual are responsible for determined maltreatment in  
609.25 a facility, the investigating agency shall consider at least the following mitigating factors:

609.26 (1) whether the actions of the facility or the individual caregivers were according to,  
609.27 and followed the terms of, an erroneous physician order, prescription, individual care plan,  
609.28 or directive; however, this is not a mitigating factor when the facility or caregiver was  
609.29 responsible for the issuance of the erroneous order, prescription, individual care plan, or  
609.30 directive or knew or should have known of the errors and took no reasonable measures to  
609.31 correct the defect before administering care;



610.1 (2) comparative responsibility between the facility, other caregivers, and requirements  
610.2 placed upon an employee, including the facility's compliance with related regulatory standards  
610.3 and the adequacy of facility policies and procedures, facility training, an individual's  
610.4 participation in the training, the caregiver's supervision, and facility staffing levels and the  
610.5 scope of the individual employee's authority and discretion; and

610.6 (3) whether the facility or individual followed professional standards in exercising  
610.7 professional judgment.

610.8 The evaluation of the facility's responsibility under clause (2) must not be based on the  
610.9 completeness of the risk assessment or risk reduction plan required under section 245A.66,  
610.10 but must be based on the facility's compliance with the regulatory standards for policies  
610.11 and procedures, training, and supervision as cited in Minnesota Statutes and Minnesota  
610.12 Rules.

610.13 (j) Notwithstanding paragraph (i), when maltreatment is determined to have been  
610.14 committed by an individual who is also the facility license or certification holder, both the  
610.15 individual and the facility must be determined responsible for the maltreatment, and both  
610.16 the background study disqualification standards under section 245C.15, subdivision 4, and  
610.17 the licensing or certification actions under ~~sections~~ section 245A.06 ~~or~~, 245A.07, 245G.06,  
610.18 or 245G.07 apply.

610.19 **EFFECTIVE DATE.** This section is effective August 1, 2017.

610.20 Sec. 66. Minnesota Statutes 2016, section 626.556, subdivision 10f, is amended to read:

610.21 Subd. 10f. **Notice of determinations.** Within ten working days of the conclusion of a  
610.22 family assessment, the local welfare agency shall notify the parent or guardian of the child  
610.23 of the need for services to address child safety concerns or significant risk of subsequent  
610.24 child maltreatment. The local welfare agency and the family may also jointly agree that  
610.25 family support and family preservation services are needed. Within ten working days of the  
610.26 conclusion of an investigation, the local welfare agency or agency responsible for  
610.27 investigating the report shall notify the parent or guardian of the child, the person determined  
610.28 to be maltreating the child, and, if applicable, the director of the facility, of the determination  
610.29 and a summary of the specific reasons for the determination. When the investigation involves  
610.30 a child foster care setting that is monitored by a private licensing agency under section  
610.31 245A.16, the local welfare agency responsible for investigating the report shall notify the  
610.32 private licensing agency of the determination and shall provide a summary of the specific  
610.33 reasons for the determination. The notice to the private licensing agency must include  
610.34 identifying private data, but not the identity of the reporter of maltreatment. The notice must

611.1 also include a certification that the information collection procedures under subdivision 10,  
611.2 paragraphs (h), (i), and (j), were followed and a notice of the right of a data subject to obtain  
611.3 access to other private data on the subject collected, created, or maintained under this section.  
611.4 In addition, the notice shall include the length of time that the records will be kept under  
611.5 subdivision 11c. The investigating agency shall notify the parent or guardian of the child  
611.6 who is the subject of the report, and any person or facility determined to have maltreated a  
611.7 child, of their appeal or review rights under this section. The notice must also state that a  
611.8 finding of maltreatment may result in denial of a license or certification application or  
611.9 background study disqualification under chapter 245C related to employment or services  
611.10 that are licensed or certified by the Department of Human Services under chapter 245A or  
611.11 245G, the Department of Health under chapter 144 or 144A, the Department of Corrections  
611.12 under section 241.021, and from providing services related to an unlicensed personal care  
611.13 provider organization under chapter 256B.

611.14 **EFFECTIVE DATE.** This section is effective August 1, 2017.

611.15 Sec. 67. Minnesota Statutes 2016, section 626.556, subdivision 10i, is amended to read:

611.16 Subd. 10i. **Administrative reconsideration; review panel.** (a) Administrative  
611.17 reconsideration is not applicable in family assessments since no determination concerning  
611.18 maltreatment is made. For investigations, except as provided under paragraph (e), an  
611.19 individual or facility that the commissioner of human services, a local social service agency,  
611.20 or the commissioner of education determines has maltreated a child, an interested person  
611.21 acting on behalf of the child, regardless of the determination, who contests the investigating  
611.22 agency's final determination regarding maltreatment, may request the investigating agency  
611.23 to reconsider its final determination regarding maltreatment. The request for reconsideration  
611.24 must be submitted in writing to the investigating agency within 15 calendar days after receipt  
611.25 of notice of the final determination regarding maltreatment or, if the request is made by an  
611.26 interested person who is not entitled to notice, within 15 days after receipt of the notice by  
611.27 the parent or guardian of the child. If mailed, the request for reconsideration must be  
611.28 postmarked and sent to the investigating agency within 15 calendar days of the individual's  
611.29 or facility's receipt of the final determination. If the request for reconsideration is made by  
611.30 personal service, it must be received by the investigating agency within 15 calendar days  
611.31 after the individual's or facility's receipt of the final determination. Effective January 1,  
611.32 2002, an individual who was determined to have maltreated a child under this section and  
611.33 who was disqualified on the basis of serious or recurring maltreatment under sections  
611.34 245C.14 and 245C.15, may request reconsideration of the maltreatment determination and  
611.35 the disqualification. The request for reconsideration of the maltreatment determination and



612.1 the disqualification must be submitted within 30 calendar days of the individual's receipt  
612.2 of the notice of disqualification under sections 245C.16 and 245C.17. If mailed, the request  
612.3 for reconsideration of the maltreatment determination and the disqualification must be  
612.4 postmarked and sent to the investigating agency within 30 calendar days of the individual's  
612.5 receipt of the maltreatment determination and notice of disqualification. If the request for  
612.6 reconsideration is made by personal service, it must be received by the investigating agency  
612.7 within 30 calendar days after the individual's receipt of the notice of disqualification.

612.8 (b) Except as provided under paragraphs (e) and (f), if the investigating agency denies  
612.9 the request or fails to act upon the request within 15 working days after receiving the request  
612.10 for reconsideration, the person or facility entitled to a fair hearing under section 256.045  
612.11 may submit to the commissioner of human services or the commissioner of education a  
612.12 written request for a hearing under that section. Section 256.045 also governs hearings  
612.13 requested to contest a final determination of the commissioner of education. The investigating  
612.14 agency shall notify persons who request reconsideration of their rights under this paragraph.  
612.15 The hearings specified under this section are the only administrative appeal of a decision  
612.16 issued under paragraph (a). Determinations under this section are not subject to accuracy  
612.17 and completeness challenges under section 13.04.

612.18 (c) If, as a result of a reconsideration or review, the investigating agency changes the  
612.19 final determination of maltreatment, that agency shall notify the parties specified in  
612.20 subdivisions 10b, 10d, and 10f.

612.21 (d) Except as provided under paragraph (f), if an individual or facility contests the  
612.22 investigating agency's final determination regarding maltreatment by requesting a fair  
612.23 hearing under section 256.045, the commissioner of human services shall assure that the  
612.24 hearing is conducted and a decision is reached within 90 days of receipt of the request for  
612.25 a hearing. The time for action on the decision may be extended for as many days as the  
612.26 hearing is postponed or the record is held open for the benefit of either party.

612.27 (e) If an individual was disqualified under sections 245C.14 and 245C.15, on the basis  
612.28 of a determination of maltreatment, which was serious or recurring, and the individual has  
612.29 requested reconsideration of the maltreatment determination under paragraph (a) and  
612.30 requested reconsideration of the disqualification under sections 245C.21 to 245C.27,  
612.31 reconsideration of the maltreatment determination and reconsideration of the disqualification  
612.32 shall be consolidated into a single reconsideration. If reconsideration of the maltreatment  
612.33 determination is denied and the individual remains disqualified following a reconsideration  
612.34 decision, the individual may request a fair hearing under section 256.045. If an individual

613.1 requests a fair hearing on the maltreatment determination and the disqualification, the scope  
613.2 of the fair hearing shall include both the maltreatment determination and the disqualification.

613.3 (f) If a maltreatment determination or a disqualification based on serious or recurring  
613.4 maltreatment is the basis for a denial of a license under section 245A.05 or a licensing  
613.5 sanction under section 245A.07, the license holder has the right to a contested case hearing  
613.6 under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. As provided for  
613.7 under section 245A.08, subdivision 2a, the scope of the contested case hearing shall include  
613.8 the maltreatment determination, disqualification, and licensing sanction or denial of a license.  
613.9 In such cases, a fair hearing regarding the maltreatment determination and disqualification  
613.10 shall not be conducted under section 256.045. Except for family child care and child foster  
613.11 care, reconsideration of a maltreatment determination as provided under this subdivision,  
613.12 and reconsideration of a disqualification as provided under section 245C.22, shall also not  
613.13 be conducted when:

613.14 (1) a denial of a license under section 245A.05 or a licensing sanction under section  
613.15 245A.07, is based on a determination that the license holder is responsible for maltreatment  
613.16 or the disqualification of a license holder based on serious or recurring maltreatment;

613.17 (2) the denial of a license or licensing sanction is issued at the same time as the  
613.18 maltreatment determination or disqualification; and

613.19 (3) the license holder appeals the maltreatment determination or disqualification, and  
613.20 denial of a license or licensing sanction.

613.21 Notwithstanding clauses (1) to (3), if the license holder appeals the maltreatment  
613.22 determination or disqualification, but does not appeal the denial of a license or a licensing  
613.23 sanction, reconsideration of the maltreatment determination shall be conducted under sections  
613.24 626.556, subdivision 10i, and 626.557, subdivision 9d, and reconsideration of the  
613.25 disqualification shall be conducted under section 245C.22. In such cases, a fair hearing shall  
613.26 also be conducted as provided under sections 245C.27, 626.556, subdivision 10i, and  
613.27 626.557, subdivision 9d.

613.28 If the disqualified subject is an individual other than the license holder and upon whom  
613.29 a background study must be conducted under chapter 245C, the hearings of all parties may  
613.30 be consolidated into a single contested case hearing upon consent of all parties and the  
613.31 administrative law judge.

613.32 (g) For purposes of this subdivision, "interested person acting on behalf of the child"  
613.33 means a parent or legal guardian; stepparent; grandparent; guardian ad litem; adult



614.1 stepbrother, stepsister, or sibling; or adult aunt or uncle; unless the person has been  
614.2 determined to be the perpetrator of the maltreatment.

614.3 (h) If a maltreatment determination is the basis for a correction order under section  
614.4 245G.06 or decertification under section 245G.07, the certification holder has the right to  
614.5 request reconsideration under sections 245G.06 and 245G.07. If the certification holder  
614.6 appeals the maltreatment determination or disqualification, but does not appeal the correction  
614.7 order or decertification, reconsideration of the maltreatment determination shall be conducted  
614.8 under section 626.556, subdivision 10i, and reconsideration of the disqualification shall be  
614.9 conducted under section 245C.22.

614.10 **EFFECTIVE DATE.** This section is effective August 1, 2017.

614.11 **Sec. 68. REVISOR'S INSTRUCTION.**

614.12 The revisor of statutes shall change all Minnesota Statutes, chapter 245G, references in  
614.13 this article to chapter 245H.

## 614.14 ARTICLE 17

## 614.15 HUMAN SERVICES FORECAST ADJUSTMENTS

614.16 Section 1. **DEPARTMENT OF HUMAN SERVICES FORECAST ADJUSTMENT.**

614.17 The dollar amounts shown are added to or, if shown in parentheses, are subtracted from  
614.18 the appropriations in Laws 2015, chapter 71, article 14, as amended by Laws 2016, chapter  
614.19 189, articles 22 and 23, from the general fund, or any other fund named, to the Department  
614.20 of Human Services for the purposes specified in this article, to be available for the fiscal  
614.21 years indicated for each purpose. The figure "2017" used in this article means that the  
614.22 appropriations listed are available for the fiscal year ending June 30, 2017.

## 614.23 APPROPRIATIONS

## 614.24 Available for the Year

## 614.25 Ending June 30

614.26 2017

614.27 **Sec. 2. COMMISSIONER OF HUMAN**  
614.28 **SERVICES**

614.29	Subdivision 1. Total Appropriation	\$	(342,045,000)
--------	------------------------------------	----	---------------

614.30 Appropriations by Fund

614.31 2017

614.32	General Fund	(198,450,000)
--------	--------------	---------------

615.1	<u>Health Care Access</u>	<u>(146,590,000)</u>
615.2	<u>TANF</u>	<u>2,995,000</u>
615.3	<u>Subd. 2. Forecasted Programs</u>	
615.4	<u>(a) MFIP/DWP Grants</u>	
615.5	<u>Appropriations by Fund</u>	
615.6	<u>General Fund</u>	<u>(2,111,000)</u>
615.7	<u>TANF</u>	<u>2,579,000</u>
615.8	<u>(b) MFIP Child Care Assistance Grants</u>	<u>(6,513,000)</u>
615.9	<u>(c) General Assistance Grants</u>	<u>(4,219,000)</u>
615.10	<u>(d) Minnesota Supplemental Aid Grants</u>	<u>(581,000)</u>
615.11	<u>(e) Group Residential Housing Grants</u>	<u>(533,000)</u>
615.12	<u>(f) Northstar Care for Children</u>	<u>2,613,000</u>
615.13	<u>(g) MinnesotaCare Grants</u>	<u>(145,883,000)</u>
615.14	<u>This appropriation is from the health care</u>	
615.15	<u>access fund.</u>	
615.16	<u>(h) Medical Assistance Grants</u>	
615.17	<u>Appropriations by Fund</u>	
615.18	<u>General Fund</u>	<u>(192,744,000)</u>
615.19	<u>Health Care Access</u>	<u>(707,000)</u>
615.20	<u>(i) Alternative Care Grants</u>	<u>-0-</u>
615.21	<u>(j) CD Entitlement Grants</u>	<u>5,638,000</u>
615.22	<u>Subd. 3. Technical Activities</u>	<u>416,000</u>
615.23	<u>This appropriation is from the TANF fund.</u>	
615.24	<u>Sec. 3. EFFECTIVE DATE.</u>	
615.25	<u>Sections 1 and 2 are effective the day following final enactment.</u>	
615.26	<b>ARTICLE 18</b>	
615.27	<b>APPROPRIATIONS</b>	
615.28	<b>Section 1. <u>HEALTH AND HUMAN SERVICES APPROPRIATIONS.</u></b>	
615.29	<u>The sums shown in the columns marked "Appropriations" are appropriated to the agencies</u>	
615.30	<u>and for the purposes specified in this article. The appropriations are from the general fund,</u>	



616.1 or another named fund, and are available for the fiscal years indicated for each purpose.  
616.2 The figures "2018" and "2019" used in this article mean that the appropriations listed under  
616.3 them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.  
616.4 "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium"  
616.5 is fiscal years 2018 and 2019.

616.6 **APPROPRIATIONS**  
616.7 **Available for the Year**  
616.8 **Ending June 30**

616.9 **2018 2019**

616.10 **Sec. 2. COMMISSIONER OF HUMAN**  
616.11 **SERVICES**

616.12 **Subdivision 1. Total Appropriation** **\$ 7,548,395,000 \$ 7,654,331,000**

616.13	<b><u>Appropriations by Fund</u></b>		
616.14		<b><u>2018</u></b>	<b><u>2019</u></b>
616.15	<b><u>General</u></b>	<b><u>6,819,523,000</u></b>	<b><u>6,880,153,000</u></b>
616.16	<b><u>State Government</u></b>		
616.17	<b><u>Special Revenue</u></b>	<b><u>4,274,000</u></b>	<b><u>4,274,000</u></b>
616.18	<b><u>Health Care Access</u></b>	<b><u>446,453,000</u></b>	<b><u>501,104,000</u></b>
616.19	<b><u>Federal TANF</u></b>	<b><u>276,249,000</u></b>	<b><u>266,904,000</u></b>
616.20	<b><u>Lottery Prize</u></b>	<b><u>1,896,000</u></b>	<b><u>1,896,000</u></b>

616.21 The amounts that may be spent for each  
616.22 purpose are specified in the following  
616.23 subdivisions.  
616.24 **Subd. 2. TANF Maintenance of Effort**  
616.25 (a) The commissioner shall ensure that  
616.26 sufficient qualified nonfederal expenditures  
616.27 are made each year to meet the state's  
616.28 maintenance of effort (MOE) requirements of  
616.29 the TANF block grant specified under Code  
616.30 of Federal Regulations, title 45, section 263.1.  
616.31 In order to meet these basic TANF/MOE  
616.32 requirements, the commissioner may report  
616.33 as TANF/MOE expenditures only nonfederal

617.1 money expended for allowable activities listed  
617.2 in the following clauses:

617.3 (1) MFIP cash, diversionary work program,  
617.4 and food assistance benefits under Minnesota  
617.5 Statutes, chapter 256J;

617.6 (2) the child care assistance programs under  
617.7 Minnesota Statutes, sections 119B.03 and  
617.8 119B.05, and county child care administrative  
617.9 costs under Minnesota Statutes, section  
617.10 119B.15;

617.11 (3) state and county MFIP administrative costs  
617.12 under Minnesota Statutes, chapters 256J and  
617.13 256K;

617.14 (4) state, county, and tribal MFIP employment  
617.15 services under Minnesota Statutes, chapters  
617.16 256J and 256K;

617.17 (5) expenditures made on behalf of legal  
617.18 noncitizen MFIP recipients who qualify for  
617.19 the MinnesotaCare program under Minnesota  
617.20 Statutes, chapter 256L;

617.21 (6) qualifying working family credit  
617.22 expenditures under Minnesota Statutes, section  
617.23 290.0671;

617.24 (7) qualifying Minnesota education credit  
617.25 expenditures under Minnesota Statutes, section  
617.26 290.0674; and

617.27 (8) qualifying Head Start expenditures under  
617.28 Minnesota Statutes, section 119A.50.

617.29 (b) For the activities listed in paragraph (a),  
617.30 clauses (2) to (8), the commissioner may  
617.31 report only expenditures that are excluded  
617.32 from the definition of assistance under Code



618.1 of Federal Regulations, title 45, section  
618.2 260.31.

618.3 (c) The commissioner shall ensure that the  
618.4 MOE used by the commissioner of  
618.5 management and budget for the February and  
618.6 November forecasts required under Minnesota  
618.7 Statutes, section 16A.103, contains  
618.8 expenditures under paragraph (a), clause (1),  
618.9 equal to at least 16 percent of the total required  
618.10 under Code of Federal Regulations, title 45,  
618.11 section 263.1.

618.12 (d) The commissioner may not claim an  
618.13 amount of TANF/MOE in excess of the 75  
618.14 percent standard in Code of Federal  
618.15 Regulations, title 45, section 263.1(a)(2),  
618.16 except:

618.17 (1) to the extent necessary to meet the 80  
618.18 percent standard under Code of Federal  
618.19 Regulations, title 45, section 263.1(a)(1), if it  
618.20 is determined by the commissioner that the  
618.21 state will not meet the TANF work  
618.22 participation target rate for the current year;

618.23 (2) to provide any additional amounts under  
618.24 Code of Federal Regulations, title 45, section  
618.25 264.5, that relate to replacement of TANF  
618.26 funds due to the operation of TANF penalties;  
618.27 and

618.28 (3) to provide any additional amounts that may  
618.29 contribute to avoiding or reducing TANF work  
618.30 participation penalties through the operation  
618.31 of the excess MOE provisions of Code of  
618.32 Federal Regulations, title 45, section 261.43  
618.33 (a)(2).

619.1 (e) For the purposes of paragraph (d), the  
619.2 commissioner may supplement the MOE claim  
619.3 with working family credit expenditures or  
619.4 other qualified expenditures to the extent such  
619.5 expenditures are otherwise available after  
619.6 considering the expenditures allowed in this  
619.7 subdivision.

619.8 (f) The requirement in Minnesota Statutes,  
619.9 section 256.011, subdivision 3, that federal  
619.10 grants or aids secured or obtained under that  
619.11 subdivision be used to reduce any direct  
619.12 appropriations provided by law, does not apply  
619.13 if the grants or aids are federal TANF funds.

619.14 (g) **IT Appropriations Generally.** This  
619.15 appropriation includes funds for information  
619.16 technology projects, services, and support.  
619.17 Notwithstanding Minnesota Statutes, section  
619.18 16E.0466, funding for information technology  
619.19 project costs shall be incorporated into the  
619.20 service level agreement and paid to the Office  
619.21 of MN.IT Services by the Department of  
619.22 Human Services under the rates and  
619.23 mechanism specified in that agreement.

619.24 (h) **Receipts for Systems Project.**  
619.25 Appropriations and federal receipts for  
619.26 information systems projects for MAXIS,  
619.27 PRISM, MMIS, ISDS, METS, and SSIS must  
619.28 be deposited in the state systems account  
619.29 authorized in Minnesota Statutes, section  
619.30 256.014. Money appropriated for computer  
619.31 projects approved by the commissioner of the  
619.32 Office of MN.IT Services, funded by the  
619.33 legislature, and approved by the commissioner  
619.34 of management and budget may be transferred  
619.35 from one project to another and from



620.1 development to operations as the  
620.2 commissioner of human services considers  
620.3 necessary. Any unexpended balance in the  
620.4 appropriation for these projects does not  
620.5 cancel and is available for ongoing  
620.6 development and operations.

620.7 **(i) Federal SNAP Education and Training**  
620.8 **Grants.** Federal funds available during fiscal  
620.9 years 2017, 2018, and 2019 for Supplemental  
620.10 Nutrition Assistance Program Education and  
620.11 Training and SNAP Quality Control  
620.12 Performance Bonus grants are appropriated  
620.13 to the commissioner of human services for the  
620.14 purposes allowable under the terms of the  
620.15 federal award. This paragraph is effective the  
620.16 day following final enactment.

620.17 **Subd. 3. Central Office; Operations**

620.18	<u>Appropriations by Fund</u>		
620.19	<u>General</u>	<u>136,778,000</u>	<u>121,009,000</u>
620.20	<u>State Government</u>		
620.21	<u>Special Revenue</u>	<u>4,149,000</u>	<u>4,149,000</u>
620.22	<u>Health Care Access</u>	<u>21,019,000</u>	<u>21,019,000</u>
620.23	<u>Federal TANF</u>	<u>100,000</u>	<u>100,000</u>

620.24 **(a) Administrative Recovery; Set-Aside.** The  
620.25 commissioner may invoice local entities  
620.26 through the SWIFT accounting system as an  
620.27 alternative means to recover the actual cost of  
620.28 administering the following provisions:

620.29 **(1) Minnesota Statutes, section 125A.744,**  
620.30 **subdivision 3;**

620.31 **(2) Minnesota Statutes, section 245.495,**  
620.32 **paragraph (b);**

620.33 **(3) Minnesota Statutes, section 256B.0625,**  
620.34 **subdivision 20, paragraph (k);**

621.1 (4) Minnesota Statutes, section 256B.0924,  
621.2 subdivision 6, paragraph (g);  
621.3 (5) Minnesota Statutes, section 256B.0945,  
621.4 subdivision 4, paragraph (d); and  
621.5 (6) Minnesota Statutes, section 256F.10,  
621.6 subdivision 6, paragraph (b).

621.7 (b) Transfer to Office of Legislative  
621.8 Auditor. \$600,000 in fiscal year 2018 and  
621.9 \$600,000 in fiscal year 2019 are for transfer  
621.10 to the Office of the Legislative Auditor for  
621.11 audit activities under Minnesota Statutes,  
621.12 section 3.972, subdivision 2b.

621.13 (c) Base Level Adjustment. The general fund  
621.14 base is \$133,378,000 in fiscal year 2020 and  
621.15 \$133,418,000 in fiscal year 2021.

621.16 Subd. 4. Central Office; Children and Families

621.17	<u>Appropriations by Fund</u>		
621.18	<u>General</u>	<u>10,438,000</u>	<u>10,431,000</u>
621.19	<u>Federal TANF</u>	<u>2,582,000</u>	<u>2,582,000</u>

621.20 Financial Institution Data Match and  
621.21 Payment of Fees. The commissioner is  
621.22 authorized to allocate up to \$310,000 each  
621.23 year in fiscal year 2018 and fiscal year 2019  
621.24 from the systems special revenue account to  
621.25 make payments to financial institutions in  
621.26 exchange for performing data matches  
621.27 between account information held by financial  
621.28 institutions and the public authority's database  
621.29 of child support obligors as authorized by  
621.30 Minnesota Statutes, section 13B.06,  
621.31 subdivision 7.

621.32 Subd. 5. Central Office; Health Care

621.33	<u>Appropriations by Fund</u>		
621.34	<u>General</u>	<u>20,719,000</u>	<u>21,249,000</u>



622.1 Health Care Access            23,697,000        23,804,000

622.2 **(a) Integrated Health Partnership Health**

622.3 **Information Exchange.** \$125,000 in fiscal

622.4 year 2018 and \$250,000 in fiscal year 2019

622.5 are from the general fund to contract with

622.6 state-certified health information exchange

622.7 vendors to support providers participating in

622.8 an integrated health partnership under

622.9 Minnesota Statutes, section 256B.0755, to

622.10 connect enrollees with community supports

622.11 and social services and improve collaboration

622.12 among participating and authorized providers.

622.13 **(b) Transfer to Legislative Auditor.** 153,000

622.14 in fiscal year 2018 and \$153,000 in fiscal year

622.15 2019 are from the general fund for transfer to

622.16 the Office of the Legislative Auditor for the

622.17 auditor to establish and maintain a team of

622.18 auditors with the training and experience

622.19 necessary to fulfill the requirements in

622.20 Minnesota Statutes, section 3.972, subdivision

622.21 2a.

622.22 **(c) Base Level Adjustment.** The general fund

622.23 base is \$21,257,000 in fiscal year 2020 and

622.24 \$21,302,000 in fiscal year 2021.

622.25 **Subd. 6. Central Office; Continuing Care for**

622.26 **Older Adults**

622.27                            Appropriations by Fund

622.28 General                            15,359,000        15,113,000

622.29 State Government

622.30 Special Revenue                            125,000        125,000

622.31 **(a) Alzheimer's Disease Working Group.**

622.32 \$127,000 in fiscal year 2018 and \$110,000 in

622.33 fiscal year 2019 are from the general fund for

622.34 the Alzheimer's disease working group. This

622.35 is a onetime appropriation.

623.1 (b) Base Level Adjustment. The general fund  
623.2 base is \$15,053,000 in fiscal year 2020 and  
623.3 \$15,053,000 in fiscal year 2021.

623.4 Subd. 7. Central Office; Community Supports

623.5	<u>Appropriations by Fund</u>		
623.6	<u>General</u>	<u>29,546,000</u>	<u>29,381,000</u>
623.7	<u>Lottery Prize</u>	<u>163,000</u>	<u>163,000</u>

623.8 (a) Transportation Study. \$250,000 in fiscal  
623.9 year 2018 and \$250,000 in fiscal year 2019  
623.10 are for a study to identify opportunities to  
623.11 increase access to transportation services for  
623.12 individuals who receive home and  
623.13 community-based services. This is a onetime  
623.14 appropriation.

623.15 (b) Deaf and Hard-of-Hearing Services.  
623.16 \$438,000 in fiscal year 2018 and \$395,000 in  
623.17 fiscal year 2019 are from the general fund for  
623.18 the Deaf and Hard-of-Hearing Services  
623.19 Division under Minnesota Statutes, section  
623.20 256C.233. Starting in fiscal year 2019, 20  
623.21 percent of this appropriation each year must  
623.22 be used for technology improvements,  
623.23 technology support, and training for staff on  
623.24 the use of technology for external facing  
623.25 services to implement Minnesota Statutes,  
623.26 section 256C.24, subdivision 2, clause (12).

623.27 (c) Consumer-Directed Community  
623.28 Supports Revised Budget Methodology  
623.29 Report. \$435,000 in fiscal year 2018 and  
623.30 \$65,000 in fiscal year 2019 are from the  
623.31 general fund to study and develop an  
623.32 individual budgeting model for disability  
623.33 waiver recipients and those accessing services  
623.34 through consumer-directed community  
623.35 supports. The commissioner shall submit



624.1 recommendations to the chairs and ranking  
624.2 minority members of the legislative  
624.3 committees with jurisdiction over these  
624.4 programs by December 15, 2018. This is a  
624.5 onetime appropriation.

624.6 **(d) Substance Use Disorder System Study.**  
624.7 \$150,000 in fiscal year 2018 and \$150,000 in  
624.8 fiscal year 2019 are for a substance use  
624.9 disorder system study. This is a onetime  
624.10 appropriation.

624.11 **(e) Children's Mental Health Report and**  
624.12 **Recommendations.** \$125,000 in fiscal year  
624.13 2018 and \$125,000 in fiscal year 2019 are for  
624.14 a comprehensive analysis of Minnesota's  
624.15 continuum of intensive mental health services  
624.16 for children with serious mental health needs.  
624.17 This is a onetime appropriation.

624.18 **(f) Self-Directed Workforce Collective**  
624.19 **Bargaining Agreement.** \$1,206,000 in fiscal  
624.20 year 2018 and \$1,206,000 in fiscal year 2019  
624.21 may be used for administration, training,  
624.22 grants, and reimbursement to implement a  
624.23 collective bargaining agreement between the  
624.24 state and the Service Employees International  
624.25 Union Healthcare Minnesota (SEIU). This  
624.26 appropriation is not available until the  
624.27 collective bargaining agreement between the  
624.28 state and SEIU under Minnesota Statutes,  
624.29 section 179A.54, is approved under  
624.30 subdivision 15, paragraph (b), clause (3). The  
624.31 commissioner may transfer funds between  
624.32 budget activities with the approval of the  
624.33 commissioner of management and budget. The  
624.34 base for this purpose is \$293,000 in fiscal year  
624.35 2020 and \$293,000 in fiscal year 2021.

625.1 (g) Implementation and Operation of an  
625.2 Electronic Service Delivery Documentation  
625.3 System. \$170,000 in fiscal year 2018 and  
625.4 \$105,000 in fiscal year 2019 are from the  
625.5 general fund for the development and  
625.6 implementation of an electronic service  
625.7 delivery documentation system. This is a  
625.8 onetime appropriation.

625.9 (h) Waiver Consolidation Study. \$110,000  
625.10 in fiscal year 2018 and \$140,000 in fiscal year  
625.11 2019 are to conduct a study on consolidating  
625.12 the four disability home and community-based  
625.13 services waivers into one program. The  
625.14 commissioner of human services shall submit  
625.15 recommendations to the chairs and ranking  
625.16 minority members of the legislative  
625.17 committees with oversight over health and  
625.18 human services by January 15, 2019. This is  
625.19 a onetime appropriation.

625.20 (i) Base Level Adjustment. The general fund  
625.21 base is \$27,504,000 in fiscal year 2020 and  
625.22 \$27,328,000 in fiscal year 2021.

625.23 Subd. 8. Forecasted Programs; MFIP/DWP

625.24 Appropriations by Fund

625.25	<u>General</u>	<u>88,930,000</u>	<u>98,251,000</u>
625.26	<u>Federal TANF</u>	<u>92,732,000</u>	<u>83,513,000</u>

625.27 Subd. 9. Forecasted Programs; MFIP Child Care  
625.28 Assistance

101,293,000                      112,078,000

625.29 Subd. 10. Forecasted Programs; General  
625.30 Assistance

55,536,000                      57,221,000

625.31 (a) General Assistance Standard. The  
625.32 commissioner shall set the monthly standard  
625.33 of assistance for general assistance units  
625.34 consisting of an adult recipient who is  
625.35 childless and unmarried or living apart from



626.1	parents or a legal guardian at \$203. The		
626.2	commissioner may reduce this amount		
626.3	according to Laws 1997, chapter 85, article 3,		
626.4	section 54.		
626.5	<b><u>(b) Emergency General Assistance Limit.</u></b>		
626.6	The amount appropriated for emergency		
626.7	general assistance is limited to no more than		
626.8	\$6,729,812 in fiscal year 2018 and \$6,729,812		
626.9	in fiscal year 2019. Funds to counties shall be		
626.10	allocated by the commissioner using the		
626.11	allocation method under Minnesota Statutes,		
626.12	section 256D.06.		
626.13	<b><u>Subd. 11. Forecasted Programs; Minnesota</u></b>		
626.14	<b><u>Supplemental Aid</u></b>	<u>40,484,000</u>	<u>41,634,000</u>
626.15	<b><u>Subd. 12. Forecasted Programs; Group</u></b>		
626.16	<b><u>Residential Housing</u></b>	<u>169,312,000</u>	<u>179,643,000</u>
626.17	<b><u>Eliminate Group Residential Housing</u></b>		
626.18	<b><u>Grant.</u></b> The forecasted base funding for the		
626.19	group residential housing program shall be		
626.20	reduced by \$460,000 in fiscal year 2018 and		
626.21	\$460,000 in fiscal year 2019 to reflect the		
626.22	elimination of grant funding for facilities		
626.23	under Minnesota Statutes, section 256I.05,		
626.24	subdivision 1m. The ongoing base funding		
626.25	shall be adjusted to reflect the elimination of		
626.26	this grant.		
626.27	<b><u>Subd. 13. Forecasted Programs; Northstar Care</u></b>		
626.28	<b><u>for Children</u></b>	<u>80,542,000</u>	<u>96,433,000</u>
626.29	<b><u>Subd. 14. Forecasted Programs; MinnesotaCare</u></b>	<u>12,363,000</u>	<u>13,218,000</u>
626.30	This appropriation is from the health care		
626.31	access fund.		
626.32	<b><u>Subd. 15. Forecasted Programs; Medical</u></b>		
626.33	<b><u>Assistance</u></b>		
626.34	<u>Appropriations by Fund</u>		
626.35	<u>General</u>	<u>5,174,139,000</u>	<u>5,172,292,000</u>
626.36	<u>Health Care Access</u>	<u>385,159,000</u>	<u>438,848,000</u>

627.1 (a) Behavioral Health Services. \$1,000,000  
627.2 in fiscal year 2018 and \$1,000,000 in fiscal  
627.3 year 2019 are for behavioral health services  
627.4 provided by hospitals identified under  
627.5 Minnesota Statutes, section 256.969,  
627.6 subdivision 2b, paragraph (a), clause (4). The  
627.7 increase in payments shall be made by  
627.8 increasing the adjustment under Minnesota  
627.9 Statutes, section 256.969, subdivision 2b,  
627.10 paragraph (e), clause (2).

627.11 (b) Self-Directed Workforce Collective  
627.12 Bargaining Agreement. (1) This  
627.13 appropriation includes money to implement a  
627.14 collective bargaining agreement between the  
627.15 state and the Service Employees International  
627.16 Union Healthcare Minnesota (SEIU). This  
627.17 appropriation is not available until the  
627.18 collective bargaining agreement between the  
627.19 state of Minnesota and the Service Employees  
627.20 International Union Healthcare Minnesota  
627.21 under Minnesota Statutes, section 179A.54,  
627.22 is approved as provided in clause (3).

627.23 (2) The commissioner of management and  
627.24 budget is authorized to negotiate and enter  
627.25 into a collective bargaining agreement with  
627.26 SEIU under Minnesota Statutes, section  
627.27 179A.54, subject to clause (1), and subdivision  
627.28 7, paragraph (f). The economic terms of the  
627.29 collective bargaining agreement may include  
627.30 wage floor increases for direct support  
627.31 workers, paid time off, holiday pay, wage  
627.32 increases for workers serving people with  
627.33 complex needs, training stipends, and training  
627.34 for direct support workers and for



628.1	<u>implementation of the registry as outlined in</u>		
628.2	<u>the collective bargaining agreement.</u>		
628.3	<u>(3) Notwithstanding Minnesota Statutes,</u>		
628.4	<u>sections 3.855, 179A.22, subdivision 4, and</u>		
628.5	<u>179A.54, subdivision 5, upon approval of a</u>		
628.6	<u>negotiated collective bargaining agreement by</u>		
628.7	<u>the SEIU and the commissioner of</u>		
628.8	<u>management and budget, the commissioner</u>		
628.9	<u>of human services is authorized to implement</u>		
628.10	<u>the negotiated collective bargaining</u>		
628.11	<u>agreement.</u>		
628.12	<b><u>Subd. 16. Forecasted Programs; Alternative</u></b>		
628.13	<b><u>Care</u></b>	<u>44,258,000</u>	<u>44,976,000</u>
628.14	<b><u>Alternative Care Transfer.</u></b> Any money		
628.15	<u>allocated to the alternative care program that</u>		
628.16	<u>is not spent for the purposes indicated does</u>		
628.17	<u>not cancel but must be transferred to the</u>		
628.18	<u>medical assistance account.</u>		
628.19	<b><u>Subd. 17. Forecasted Programs; Chemical</u></b>		
628.20	<b><u>Dependency Treatment Fund</u></b>	<u>117,226,000</u>	<u>136,493,000</u>
628.21	<b><u>Subd. 18. Grant Programs; Support Services</u></b>		
628.22	<b><u>Grants</u></b>		
628.23	<u>Appropriations by Fund</u>		
628.24	<u>General</u>	<u>8,715,000</u>	<u>8,715,000</u>
628.25	<u>Federal TANF</u>	<u>96,311,000</u>	<u>96,311,000</u>
628.26	<b><u>Subd. 19. Grant Programs; Basic Sliding Fee</u></b>		
628.27	<b><u>Child Care Assistance Grants</u></b>	<u>44,690,000</u>	<u>53,413,000</u>
628.28	<b><u>(a) Maximum Rate for Certain Child Care</u></b>		
628.29	<b><u>Providers.</u></b> Notwithstanding Minnesota		
628.30	<u>Statutes, section 119B.03, subdivisions 6 and</u>		
628.31	<u>6a, \$25,000 in fiscal year 2019 is to modify</u>		
628.32	<u>maximum rates for child care providers in a</u>		
628.33	<u>city with boundaries located in two or more</u>		
628.34	<u>of the counties of Benton, Sherburne, and</u>		
628.35	<u>Stearns. \$12,000 of the funding for the</u>		
628.36	<u>calendar year 2018 allocation and \$29,000 of</u>		

629.1 the funding for the calendar year 2019  
629.2 allocation shall be allocated proportionally to  
629.3 the three counties based on county  
629.4 expenditures in the most recent calendar year.  
629.5 Allocations in calendar year 2020 and beyond  
629.6 shall be calculated using the allocation formula  
629.7 in Minnesota Statutes, section 119B.03,  
629.8 subdivision 6.

629.9 **(b) Base Level Adjustment.** The general fund  
629.10 base is \$53,583,000 in fiscal year 2020 and  
629.11 \$53,639,000 in fiscal year 2021.

629.12	<b><u>Subd. 20. Grant Programs; Child Care</u></b>		
629.13	<b><u>Development Grants</u></b>	<u>1,737,000</u>	<u>1,737,000</u>

629.14	<b><u>Subd. 21. Grant Programs; Child Support</u></b>		
629.15	<b><u>Enforcement Grants</u></b>	<u>50,000</u>	<u>50,000</u>

629.16	<b><u>Subd. 22. Grant Programs; Children's Services</u></b>		
629.17	<b><u>Grants</u></b>		

629.18	<u>Appropriations by Fund</u>		
629.19	<u>General</u>	<u>39,240,000</u>	<u>39,165,000</u>
629.20	<u>Federal TANF</u>	<u>140,000</u>	<u>140,000</u>

629.21 **(a) Title IV-E Adoption Assistance. (1) The**  
629.22 commissioner shall allocate funds from the  
629.23 Title IV-E reimbursement to the state from  
629.24 the Fostering Connections to Success and  
629.25 Increasing Adoptions Act for adoptive, foster,  
629.26 and kinship families as required in Minnesota  
629.27 Statutes, section 256N.261.

629.28 **(2) Additional federal reimbursement to the**  
629.29 state as a result of the Fostering Connections  
629.30 to Success and Increasing Adoptions Act's  
629.31 expanded eligibility for title IV-E adoption  
629.32 assistance is for postadoption, foster care,  
629.33 adoption, and kinship services, including a  
629.34 parent-to-parent support network.



630.1 **(b) Adoption Assistance Incentive Grants.**  
630.2 **(1) The commissioner shall allocate federal**  
630.3 **funds available for adoption and guardianship**  
630.4 **assistance incentive grants for postadoption**  
630.5 **services to support adoptive, foster, and**  
630.6 **kinship families as required in Minnesota**  
630.7 **Statutes, section 256N.261.**

630.8 **(2) Federal funds available during fiscal year**  
630.9 **2019 for adoption incentive grants must be**  
630.10 **used for foster care, adoption, and kinship**  
630.11 **services, including a parent-to-parent support**  
630.12 **network.**

630.13 **(c) Adoption Support Services. The**  
630.14 **commissioner shall allocate 20 percent of**  
630.15 **federal funds from title IV-B, subpart 2, of the**  
630.16 **Social Security Act, Promoting Safe and**  
630.17 **Stable Families, for adoption support services**  
630.18 **under Minnesota Statutes, section 256N.261.**

630.19 **(d) Anoka County Family Foster Care.**  
630.20 **\$75,000 in fiscal year 2018 is from the general**  
630.21 **fund for a grant to Anoka County to establish**  
630.22 **and promote family foster care recruitment**  
630.23 **models. The county shall use the grant funds**  
630.24 **for the purpose of increasing foster care**  
630.25 **providers through administrative**  
630.26 **simplification, nontraditional recruitment**  
630.27 **models, and family incentive options, and**  
630.28 **develop a strategic planning model to recruit**  
630.29 **family foster care providers. This is a onetime**  
630.30 **appropriation.**

630.31 **(e) White Earth Band of Ojibwe Child**  
630.32 **Welfare Services. \$500,000 in fiscal year**  
630.33 **2018 and \$500,000 in fiscal year 2019 are**  
630.34 **from the general fund for a grant to the White**

631.1	<u>Earth Band of Ojibwe to deliver child welfare</u>		
631.2	<u>services.</u>		
631.3	<u>Subd. 23. Grant Programs; Children and</u>		
631.4	<u>Community Service Grants</u>	<u>58,201,000</u>	<u>58,201,000</u>
631.5	<u>Subd. 24. Grant Programs; Children and</u>		
631.6	<u>Economic Support Grants</u>	<u>32,930,000</u>	<u>32,940,000</u>
631.7	<u>(a) Minnesota Food Assistance Program.</u>		
631.8	<u>Unexpended funds for the Minnesota food</u>		
631.9	<u>assistance program for fiscal year 2018 do not</u>		
631.10	<u>cancel but are available for this purpose in</u>		
631.11	<u>fiscal year 2019.</u>		
631.12	<u>(b) Long-term Homeless Supportive</u>		
631.13	<u>Services. \$375,000 in fiscal year 2018 and</u>		
631.14	<u>\$375,000 in fiscal year 2019 are for the</u>		
631.15	<u>long-term homeless supportive services fund</u>		
631.16	<u>under Minnesota Statutes, section 256K.26.</u>		
631.17	<u>This is a onetime appropriation.</u>		
631.18	<u>(c) Community Action Grants. \$750,000 in</u>		
631.19	<u>fiscal year 2018 and \$750,000 in fiscal year</u>		
631.20	<u>2019 are for community action grants under</u>		
631.21	<u>Minnesota Statutes, sections 256E.30 to</u>		
631.22	<u>256E.32. This is a onetime appropriation.</u>		
631.23	<u>(d) Transitional Housing. \$200,000 in fiscal</u>		
631.24	<u>year 2018 and \$200,000 in fiscal year 2019</u>		
631.25	<u>are for the transitional housing program under</u>		
631.26	<u>Minnesota Statutes, section 256E.33. This is</u>		
631.27	<u>a onetime appropriation.</u>		
631.28	<u>(e) Family Assets for Independence.</u>		
631.29	<u>\$250,000 in fiscal year 2018 and \$250,000 in</u>		
631.30	<u>fiscal year 2019 are for the family assets for</u>		
631.31	<u>independence program under Minnesota</u>		
631.32	<u>Statutes, section 256E.35. This is a onetime</u>		
631.33	<u>appropriation.</u>		



632.1 **(f) Safe Harbor for Sexually Exploited**

632.2 **Youth.** (1) \$400,000 in fiscal year 2018 and  
632.3 \$400,000 in fiscal year 2019 are for  
632.4 emergency shelter and transitional and  
632.5 long-term housing beds for sexually exploited  
632.6 youth and youth at risk of sexual exploitation.

632.7 (2) \$100,000 in fiscal year 2018 and \$100,000  
632.8 in fiscal year 2019 are for statewide youth  
632.9 outreach workers connecting sexually  
632.10 exploited youth and youth at risk of sexual  
632.11 exploitation with shelter and services.

632.12 (3) Youth 24 years of age or younger are  
632.13 eligible for shelter, housing beds, and services  
632.14 under this paragraph. In funding shelter,  
632.15 housing beds, and outreach workers under this  
632.16 paragraph, the commissioner shall emphasize  
632.17 activities that promote capacity-building and  
632.18 development of resources in greater  
632.19 Minnesota.

632.20 **(g) Emergency Services Program.** \$100,000  
632.21 in fiscal year 2018 and \$100,000 in fiscal year  
632.22 2019 are for the emergency services program,  
632.23 which provides services and emergency shelter  
632.24 for homeless Minnesotans under Minnesota  
632.25 Statutes, section 256E.36. This is a onetime  
632.26 appropriation.

632.27 **(h) Dakota County Child Data Tracking.**

632.28 \$200,000 in fiscal year 2018 is for the  
632.29 Minnesota Birth to Eight pilot project for the  
632.30 development of the information technology  
632.31 solution that will track the established  
632.32 developmental milestone progress of each  
632.33 child participating in the pilot up to age eight.

633.1 (i) Food Shelf Programs. \$375,000 in fiscal  
633.2 year 2018 and \$375,000 in fiscal year 2019  
633.3 are for food shelf programs under Minnesota  
633.4 Statutes, section 256E.34. This appropriation  
633.5 may be used to purchase proteins, fruits,  
633.6 vegetables, and diapers. This is a onetime  
633.7 appropriation.

633.8 (j) Community Living Infrastructure.  
633.9 \$1,400,000 in fiscal year 2018 and \$1,400,000  
633.10 in fiscal year 2019 are for community living  
633.11 infrastructure grants under article 2, section  
633.12 17.

633.13 (k) Housing Web Site Grant. \$150,000 in  
633.14 fiscal year 2018 and \$150,000 in fiscal year  
633.15 2019 are for a grant to a public or private  
633.16 entity to create and maintain a Web site and  
633.17 application to track real-time housing openings  
633.18 for people with disabilities.

633.19 (l) Housing Benefit Web Site. \$130,000 in  
633.20 fiscal year 2018 and \$130,000 in fiscal year  
633.21 2019 are to operate the housing benefit 101  
633.22 Web site to help people who need affordable  
633.23 housing, and supports to maintain that  
633.24 housing, understand the range of housing  
633.25 options and support services available.

633.26 (m) Coparenting Education. \$150,000 in  
633.27 fiscal year 2018 and \$150,000 in fiscal year  
633.28 2019 are for a grant to a health and wellness  
633.29 center located in North Minneapolis that is a  
633.30 federally qualified health center. This is a  
633.31 onetime appropriation. The center must use  
633.32 the grant money to offer coparent services to  
633.33 unmarried parents. The center must develop  
633.34 a process to inform and educate unmarried  
633.35 parents about the center's coparent services.



634.1 The coparent services must include the  
634.2 following:

634.3 (1) coparenting workshops for the unmarried  
634.4 parents;

634.5 (2) assistance to the unmarried parents in  
634.6 developing a parenting plan that specifies a  
634.7 schedule of the time each parent spends with  
634.8 the child, child support obligations, and a  
634.9 designation of decision-making responsibilities  
634.10 regarding the child's education, medical needs,  
634.11 and religious upbringing;

634.12 (3) an assessment of social services needs for  
634.13 each parent; and

634.14 (4) additional social services support,  
634.15 including support related to employment,  
634.16 education, and housing.

634.17 The parenting plan assistance must include  
634.18 the option of using private mediation.

634.19 The coparent workshops must focus at a  
634.20 minimum on (i) the benefits to the child of  
634.21 having both parents involved in a child's life,  
634.22 (ii) promoting both parents' participation in a  
634.23 child's life, (iii) building coparenting and  
634.24 communication skills, (iv) information on  
634.25 establishing paternity, (v) assisting parents in  
634.26 developing a parenting plan, and (vi) educating  
634.27 participants on how to foster a nonresident  
634.28 parent's continued involvement in a child's  
634.29 life.

634.30 (n) **Base Level Adjustments.** The general  
634.31 fund base is \$30,840,000 in fiscal year 2020  
634.32 and \$31,940,000 in fiscal year 2021. The  
634.33 general fund base includes \$453,000 in fiscal  
634.34 year 2020 and \$453,000 in fiscal year 2021

635.1 for community living infrastructure grant  
635.2 allocations under Minnesota Statutes, section  
635.3 256I.09.

635.4 **Subd. 25. Grant Programs; Health Care Grants**

635.5 Appropriations by Fund

635.6	<u>General</u>	<u>5,519,000</u>	<u>4,111,000</u>
635.7	<u>Health Care Access</u>	<u>3,465,000</u>	<u>3,465,000</u>

635.8 **(a) Chronic Pain Rehabilitation Therapy**  
635.9 **Demonstration Project. \$1,000,000 in fiscal**  
635.10 year 2018 is from the general fund for a  
635.11 chronic pain rehabilitation therapy  
635.12 demonstration project with a rehabilitation  
635.13 institute. The commissioner may use up to  
635.14 three percent of this appropriation for  
635.15 administrative costs for the project. This is a  
635.16 onetime appropriation.

635.17 **(b) Health Care Grants. \$400,000 in fiscal**  
635.18 year 2018 and \$400,000 in fiscal year 2019  
635.19 are for the substance use disorder and provider  
635.20 capacity grant program. This is a onetime  
635.21 appropriation.

635.22 **(c) Base Level Adjustment. The general fund**  
635.23 base is \$3,711,000 in fiscal year 2020 and  
635.24 \$3,711,000 in fiscal year 2021.

635.25	<b><u>Subd. 26. Grant Programs; Other Long-Term</u></b>		
635.26	<b><u>Care Grants</u></b>	<u>2,500,000</u>	<u>2,925,000</u>

635.27 **(a) Home and Community-Based Incentive**  
635.28 **Pool. \$1,000,000 in fiscal year 2018 and**  
635.29 \$1,000,000 in fiscal year 2019 are for  
635.30 incentive payments under Minnesota Statutes,  
635.31 section 256B.0921. This is a onetime  
635.32 appropriation.



636.1	<u>(b) Base Level Adjustment.</u> The general fund		
636.2	<u>base is \$1,925,000 in fiscal year 2020 and</u>		
636.3	<u>\$1,925,000 in fiscal year 2021.</u>		
636.4	<u>Subd. 27. Grant Programs; Aging and Adult</u>		
636.5	<u>Services Grants</u>	<u>30,786,000</u>	<u>32,437,000</u>
636.6	<u>(a) Gap Analysis.</u> \$217,000 in fiscal year		
636.7	<u>2018 and \$218,000 in fiscal year 2019 are for</u>		
636.8	<u>analysis of gaps in long-term care services</u>		
636.9	<u>under Minnesota Statutes, section 144A.351.</u>		
636.10	<u>(b) Advanced In-Home Activity-Monitoring</u>		
636.11	<u>Systems.</u> \$40,000 in fiscal year 2018 is for a		
636.12	<u>grant to a local research organization with</u>		
636.13	<u>expertise in identifying current and potential</u>		
636.14	<u>support systems and examining the capacity</u>		
636.15	<u>of those systems to meet the needs of the</u>		
636.16	<u>growing population of elderly persons to</u>		
636.17	<u>conduct a comprehensive assessment of</u>		
636.18	<u>current literature, past research, and an</u>		
636.19	<u>environmental scan of the field related to</u>		
636.20	<u>advanced in-home activity-monitoring systems</u>		
636.21	<u>for elderly persons. The commissioner must</u>		
636.22	<u>report the results of the assessment by January</u>		
636.23	<u>15, 2018, to the legislative committees and</u>		
636.24	<u>divisions with jurisdiction over health and</u>		
636.25	<u>human services policy and finance. This is a</u>		
636.26	<u>onetime appropriation.</u>		
636.27	<u>(c) Base Level Adjustments.</u> The general		
636.28	<u>fund base is \$32,811,000 in fiscal year 2020</u>		
636.29	<u>and \$32,995,000 in fiscal year 2021. The</u>		
636.30	<u>general fund base includes \$334,000 in fiscal</u>		
636.31	<u>year 2020 and \$477,000 in fiscal year 2021</u>		
636.32	<u>for the Minnesota Board on Aging for</u>		
636.33	<u>self-directed caregiver grants under Minnesota</u>		
636.34	<u>Statutes, section 256.975, subdivision 12.</u>		
636.35	<u>Subd. 28. Grant Programs; Deaf and</u>		
636.36	<u>Hard-of-Hearing Grants</u>	<u>2,675,000</u>	<u>2,675,000</u>

637.1 Expanded Services Grants. \$800,000 in  
637.2 fiscal year 2018 and \$800,000 in fiscal year  
637.3 2019 are for deaf and hard-of-hearing grants.

637.4 The funds must be used to provide:

637.5 (1) services to Minnesotans who are deafblind  
637.6 under Minnesota Statutes, section 256C.261;

637.7 (2) linguistically and culturally appropriate  
637.8 mental health services to children who are  
637.9 deaf, children who are deafblind, and children  
637.10 who are hard-of-hearing;

637.11 (3) an increase in the fiscal year 2017 base  
637.12 level grant amount to provide mentors who  
637.13 have hearing loss to parents of infants and  
637.14 children with newly identified hearing loss;  
637.15 and

637.16 (4) training each year in ProTactile American  
637.17 Sign Language or other communication  
637.18 systems used by people who are deafblind.  
637.19 Training shall be provided to persons who are  
637.20 deafblind and to interpreters, support service  
637.21 providers, and intervenors who work with  
637.22 persons who are deafblind.

637.23 The funds may be used to provide culturally  
637.24 affirmative psychiatric services.

637.25	<u>Subd. 29. Grant Programs; Disabilities Grants</u>	<u>21,175,000</u>	<u>21,176,000</u>
--------	--	-------------------	-------------------

637.26 (a) Disability Waiver Rate System

637.27 Transition Grants. \$30,000 in fiscal year  
637.28 2018 and \$31,000 in fiscal year 2019 are for  
637.29 grants to home and community-based  
637.30 disability waiver services providers that are  
637.31 projected to receive at least a ten percent  
637.32 decrease in revenues due to transition to rates  
637.33 calculated under Minnesota Statutes, section  
637.34 256B.4914. The commissioner shall award



638.1 grants to ensure ongoing access for individuals  
638.2 currently receiving these services and provide  
638.3 stability to providers as they transition to new  
638.4 service delivery models. The general fund base  
638.5 for the grants under this paragraph is \$287,000  
638.6 in fiscal year 2020 and \$288,000 in fiscal year  
638.7 2021.

638.8 (b) Self-Advocacy Grants. \$133,000 in fiscal  
638.9 year 2018 and \$133,000 in fiscal year 2019  
638.10 are for grants under Minnesota Statutes,  
638.11 section 256.477, paragraph (a).

638.12 (c) Services for Persons with Intellectual  
638.13 and Developmental Disabilities. \$143,000  
638.14 in fiscal year 2018 and \$143,000 in fiscal year  
638.15 2019 are for a grant to an organization  
638.16 described under Minnesota Statutes, section  
638.17 256.477. This is a onetime appropriation.  
638.18 Grant funds must be used for the following  
638.19 purposes:

638.20 (1) to maintain the infrastructure needed to  
638.21 train and support the activities of a statewide  
638.22 network of peer-to-peer mentors for persons  
638.23 with developmental disabilities, focused on  
638.24 building awareness of service options and  
638.25 advocacy skills necessary to move toward full  
638.26 inclusion in community life, including the  
638.27 development and delivery of the curriculum  
638.28 to support the peer-to-peer network;

638.29 (2) to provide outreach activities, including  
638.30 statewide conferences and disability  
638.31 networking opportunities focused on  
638.32 self-advocacy, informed choice, and  
638.33 community engagement skills;

639.1 (3) to provide an annual leadership program  
639.2 for persons with intellectual and  
639.3 developmental disabilities; and

639.4 (4) to provide for administrative and general  
639.5 operating costs associated with managing and  
639.6 maintaining facilities, program delivery,  
639.7 evaluation, staff, and technology.

639.8 **(d) Outreach to Persons in Institutional**  
639.9 **Settings. \$105,000 in fiscal year 2018 and**  
639.10 **\$105,000 in fiscal year 2019 are for a grant to**  
639.11 **an organization described under Minnesota**  
639.12 **Statutes, section 256.477, to be used for**  
639.13 **subgrants to organizations in Minnesota to**  
639.14 **conduct outreach to persons working and**  
639.15 **living in institutional settings to provide**  
639.16 **education and information about community**  
639.17 **options. This is a onetime appropriation. Grant**  
639.18 **funds must be used to deliver peer-led skill**  
639.19 **training sessions in six regions of the state to**  
639.20 **help persons with intellectual and**  
639.21 **developmental disabilities understand**  
639.22 **community service options related to:**

639.23 (1) housing;  
639.24 (2) employment;  
639.25 (3) education;  
639.26 (4) transportation;  
639.27 (5) emerging service reform initiatives  
639.28 contained in the state's Olmstead plan; the  
639.29 Workforce Innovation and Opportunity Act,  
639.30 Public Law 113-128; and federal home and  
639.31 community-based services regulations; and

639.32 (6) connecting with individuals who can help  
639.33 persons with intellectual and developmental



640.1 disabilities make an informed choice and plan  
640.2 for a transition in services.

640.3 (e) Community Living Grants. To the extent  
640.4 funding is available, the commissioner may  
640.5 transfer funds from the semi-independent  
640.6 living services grant to new community living  
640.7 grants to pay for transitional costs and  
640.8 facilitate the transition of individuals from  
640.9 corporate foster care to community living.

640.10 (f) Life Skills Training for Individuals with  
640.11 Autism Spectrum Disorder. \$125,000 in  
640.12 fiscal year 2018 and \$125,000 in fiscal year  
640.13 2019 are for a grant to an organization located  
640.14 in Richfield that provides life skills training  
640.15 to young adults with learning disabilities to  
640.16 meet the needs of individuals with autism  
640.17 spectrum disorder. This is a onetime  
640.18 appropriation. This appropriation may be used  
640.19 to:

640.20 (1) create a best practices curriculum for  
640.21 serving individuals with autism spectrum  
640.22 disorder in residential placements with  
640.23 therapeutic programming; and  
640.24 (2) expand facilities by adding safety features,  
640.25 living spaces, and academic areas.

640.26 (g) Base Level Adjustment. The general fund  
640.27 base is \$21,059,000 in fiscal year 2020 and  
640.28 \$21,060,000 in fiscal year 2021.

640.29 Subd. 30. Grant Programs; Adult Mental Health  
640.30 Grants

640.31	<u>Appropriations by Fund</u>		
640.32	<u>General</u>	<u>81,577,000</u>	<u>81,477,000</u>
640.33	<u>Health Care Access</u>	<u>750,000</u>	<u>750,000</u>

641.1 (a) Peer-Run Respite Services in Wadena  
641.2 County. \$100,000 in fiscal year 2018 is from  
641.3 the general fund for a grant to Wadena County  
641.4 for the planning and development of a peer-run  
641.5 respite center for individuals experiencing  
641.6 mental health conditions or co-occurring  
641.7 substance abuse disorder. This is a onetime  
641.8 appropriation and is available until June 30,  
641.9 2021. The grant is contingent on Wadena  
641.10 County providing to the commissioner of  
641.11 human services a plan to fund, operate, and  
641.12 sustain the program and services after the  
641.13 onetime state grant is expended. Wadena  
641.14 County must outline the proposed funding  
641.15 stream or mechanism, and any necessary local  
641.16 funding commitment, which will ensure the  
641.17 program will result in a sustainable program.  
641.18 The funding stream may include state funding  
641.19 for programs and services for which the  
641.20 individuals served under this paragraph may  
641.21 be eligible. The commissioner of human  
641.22 services, in collaboration with Wadena  
641.23 County, may explore a plan for continued  
641.24 funding using existing appropriations through  
641.25 eligibility for group residential housing under  
641.26 Minnesota Statutes, chapter 256I.  
641.27 The peer-run respite center must:  
641.28 (1) admit individuals who are in need of peer  
641.29 support and supportive services while  
641.30 addressing an increase in symptoms or  
641.31 stressors or exacerbation of their mental health  
641.32 or substance abuse;  
641.33 (2) admit individuals to reside at the center on  
641.34 a short-term basis, no longer than five days;  
641.35 (3) be operated by a nonprofit organization;



642.1 (4) employ individuals who have personal  
642.2 experience with mental health or co-occurring  
642.3 substance abuse conditions who meet the  
642.4 qualifications of a mental health certified peer  
642.5 specialist under Minnesota Statutes, section  
642.6 256B.0615, or a recovery peer;

642.7 (5) provide at least three but no more than six  
642.8 beds in private rooms; and

642.9 (6) not provide clinical services.

642.10 By November 1, 2018, the commissioner of  
642.11 human services, in consultation with Wadena  
642.12 County, shall report to the committees in the  
642.13 senate and house of representatives with  
642.14 jurisdiction over mental health issues, the  
642.15 status of planning and development of the  
642.16 peer-run respite center, and the plan to  
642.17 financially support the program and services  
642.18 after the state grant is expended.

642.19 **(b) Housing Options for Persons with**  
642.20 **Serious Mental Illness. \$575,000 in fiscal**  
642.21 **year 2018 and \$575,000 in fiscal year 2019**  
642.22 **are from the general fund for adult mental**  
642.23 **health grants under Minnesota Statutes, section**  
642.24 **245.4661, subdivision 9, paragraph (a), clause**  
642.25 **(2), to support increased availability of**  
642.26 **housing options with supports for persons with**  
642.27 **serious mental illness. This is a onetime**  
642.28 **appropriation.**

642.29 **(c) Assertive Community Treatment.**  
642.30 **\$200,000 in fiscal year 2018 and \$200,000 in**  
642.31 **fiscal year 2019 are from the general fund for**  
642.32 **adult mental health grants under Minnesota**  
642.33 **Statutes, section 256B.0622, subdivision 12,**

643.1	<u>to expand assertive community treatment</u>		
643.2	<u>services. This is a onetime appropriation.</u>		
643.3	<b><u>(d) Mental Health Crisis Services. \$400,000</u></b>		
643.4	<u>in fiscal year 2018 and \$400,000 in fiscal year</u>		
643.5	<u>2019 are from the general fund for adult</u>		
643.6	<u>mental health grants under Minnesota Statutes,</u>		
643.7	<u>section 245.4661, and children's mental health</u>		
643.8	<u>grants under Minnesota Statutes, section</u>		
643.9	<u>245.4889, to expand mental health crisis</u>		
643.10	<u>services, including:</u>		
643.11	<u>(1) mobile crisis services;</u>		
643.12	<u>(2) residential crisis services;</u>		
643.13	<u>(3) colocation of mobile crisis services in</u>		
643.14	<u>urgent care clinics and psychiatric emergency</u>		
643.15	<u>departments; and</u>		
643.16	<u>(4) development of co-responder mental health</u>		
643.17	<u>crisis response models.</u>		
643.18	<u>This is a onetime appropriation.</u>		
643.19	<b><u>(e) Housing with Supports. \$500,000 in fiscal</u></b>		
643.20	<u>year 2018 and \$500,000 in fiscal year 2019</u>		
643.21	<u>are for the housing with supports for adults</u>		
643.22	<u>with serious mental illness grant under</u>		
643.23	<u>Minnesota Statutes, section 245.4661,</u>		
643.24	<u>subdivision 9, paragraph (a), clause (2). This</u>		
643.25	<u>is a onetime appropriation.</u>		
643.26	<b><u>(f) Base Level Adjustment. The general fund</u></b>		
643.27	<u>base is \$79,802,000 in fiscal year 2020 and</u>		
643.28	<u>\$79,802,000 in fiscal year 2021.</u>		
643.29	<b><u>Subd. 31. Grant Programs; Child Mental Health</u></b>		
643.30	<b><u>Grants</u></b>	<u>21,411,000</u>	<u>21,476,000</u>
643.31	<b><u>(a) First Psychotic Episode Funding.</u></b>		
643.32	<u>\$500,000 in fiscal year 2018 and \$500,000 in</u>		
643.33	<u>fiscal year 2019 are for grants under</u>		



644.1 Minnesota Statutes, section 245.4889,  
644.2 subdivision 1, paragraph (b), clause (15). This  
644.3 is a onetime appropriation. Funding shall be  
644.4 used to:

644.5 (1) provide intensive treatment and supports  
644.6 to adolescents and adults experiencing or at  
644.7 risk of a first psychotic episode. Intensive  
644.8 treatment and support includes medication  
644.9 management, psychoeducation for the  
644.10 individual and family, case management,  
644.11 employment supports, education supports,  
644.12 cognitive behavioral approaches, social skills  
644.13 training, peer support, crisis planning, and  
644.14 stress management. Projects must use all  
644.15 available funding streams;

644.16 (2) conduct outreach, training, and guidance  
644.17 to mental health and health care professionals,  
644.18 including postsecondary health clinics, on  
644.19 early psychosis symptoms, screening tools,  
644.20 and best practices; and

644.21 (3) ensure access to first psychotic episode  
644.22 psychosis services under this section,  
644.23 including ensuring access for individuals who  
644.24 live in rural areas. Funds may be used to pay  
644.25 for housing or travel or to address other  
644.26 barriers to individuals and their families  
644.27 participating in first psychotic episode  
644.28 services.

644.29 (b) Respite Care Services. \$150,000 in fiscal  
644.30 year 2018 and \$150,000 in fiscal year 2019  
644.31 are for children's mental health grants under  
644.32 Minnesota Statutes, section 245.4889,  
644.33 subdivision 1, paragraph (b), clause (3), to  
644.34 provide respite care services to families of

645.1 children with serious mental illness. This is a  
645.2 onetime appropriation.

645.3 (c) **Base Level Adjustment.** The general fund  
645.4 base is \$20,826,000 in fiscal year 2020 and  
645.5 \$20,826,000 in fiscal year 2021.

645.6 Subd. 32. **Grant Programs; Chemical**  
645.7 **Dependency Treatment Support Grants**

645.8	<u>Appropriations by Fund</u>		
645.9	<u>General</u>	<u>2,386,000</u>	<u>2,386,000</u>
645.10	<u>Lottery Prize</u>	<u>1,733,000</u>	<u>1,733,000</u>

645.11 (a) **Minnesota Transitions Charter School.**  
645.12 Notwithstanding any other law to the contrary,  
645.13 Minnesota Transitions Charter School is  
645.14 eligible to receive grants under Minnesota  
645.15 Statutes, section 254A.03, subdivision 1.

645.16 (b) **Problem Gambling.** \$225,000 in fiscal  
645.17 year 2018 and \$225,000 in fiscal year 2019  
645.18 are from the lottery prize fund for a grant to  
645.19 the state affiliate recognized by the National  
645.20 Council on Problem Gambling. The affiliate  
645.21 must provide services to increase public  
645.22 awareness of problem gambling, education,  
645.23 and training for individuals and organizations  
645.24 providing effective treatment services to  
645.25 problem gamblers and their families, and  
645.26 research related to problem gambling.

645.27 (c) **Minnesota Organization on Fetal**  
645.28 **Alcohol Syndrome.** \$250,000 in fiscal year  
645.29 2018 and \$250,000 in fiscal year 2019 are for  
645.30 a grant to the Minnesota Organization on Fetal  
645.31 Alcohol Syndrome (MOFAS). This is a  
645.32 onetime appropriation. Of this amount,  
645.33 MOFAS shall make grants to eligible regional  
645.34 collaboratives that fulfill the requirements in  
645.35 this paragraph. "Eligible regional



646.1 collaboratives" means a partnership between  
646.2 at least one local government and at least one  
646.3 community-based organization and, where  
646.4 available, a family home visiting program. For  
646.5 purposes of this paragraph, a local government  
646.6 includes a county or multicounty organization,  
646.7 a tribal government, a county-based  
646.8 purchasing entity, or a community health  
646.9 board. Eligible regional collaboratives must  
646.10 use grant funds to reduce the incidence of fetal  
646.11 alcohol syndrome disorders and other prenatal  
646.12 drug-related effects in children in Minnesota  
646.13 by identifying and serving pregnant women  
646.14 suspected of or known to use or abuse alcohol  
646.15 or other drugs. The eligible regional  
646.16 collaboratives must provide intensive services  
646.17 to chemically dependent women to increase  
646.18 positive birth outcomes. MOFAS must make  
646.19 grants to eligible regional collaboratives from  
646.20 both rural and urban areas. A grant recipient  
646.21 must report to the commissioner of human  
646.22 services annually by January 15 on the  
646.23 services and programs funded by the  
646.24 appropriation. The report must include  
646.25 measurable outcomes for the previous year,  
646.26 including the number of pregnant women  
646.27 served and the number of toxic-free babies  
646.28 born.

646.29 (d) **Base Level Adjustment.** The general fund  
646.30 base is \$2,136,000 in fiscal year 2020 and  
646.31 \$2,136,000 in fiscal year 2021.

646.32 Subd. 33. **Direct Care and Treatment - Generally**

646.33 (a) **Transfer Authority.** Money appropriated  
646.34 to budget activities under subdivisions 34, 35,  
646.35 36, 37, and 38 may be transferred between

647.1	<u>budget activities and between years of the</u>		
647.2	<u>biennium with the approval of the</u>		
647.3	<u>commissioner of management and budget.</u>		
647.4	<b><u>(b) Dedicated Receipts Available. Of the</u></b>		
647.5	<u>revenue received under Minnesota Statutes,</u>		
647.6	<u>section 246.18, subdivision 8, paragraph (a),</u>		
647.7	<u>up to \$1,000,000 each year is available for the</u>		
647.8	<u>purposes of Minnesota Statutes, section</u>		
647.9	<u>246.18, subdivision 8, paragraph (b), clause</u>		
647.10	<u>(1); and up to \$2,713,000 each year is</u>		
647.11	<u>available for the purposes of Minnesota</u>		
647.12	<u>Statutes, section 246.18, subdivision 8,</u>		
647.13	<u>paragraph (b), clause (2).</u>		
647.14	<b><u>Subd. 34. Direct Care and Treatment - Mental</u></b>		
647.15	<b><u>Health and Substance Abuse</u></b>	<u>118,545,000</u>	<u>118,631,000</u>
647.16	<b><u>(a) Child and Adolescent Behavioral Health</u></b>		
647.17	<b><u>Services. \$405,000 in fiscal year 2018 and</u></b>		
647.18	<b><u>\$491,000 in fiscal year 2019 are to continue</u></b>		
647.19	<b><u>to operate the child and adolescent behavioral</u></b>		
647.20	<b><u>health services program under Minnesota</u></b>		
647.21	<b><u>Statutes, section 246.014. This is a onetime</u></b>		
647.22	<b><u>appropriation.</u></b>		
647.23	<b><u>(b) DCT Operating Adjustment (CARE).</u></b>		
647.24	<b><u>\$447,000 in fiscal year 2018 and \$447,000 in</u></b>		
647.25	<b><u>fiscal year 2019 are for Community Addiction</u></b>		
647.26	<b><u>Recovery Enterprise (CARE) operating</u></b>		
647.27	<b><u>adjustments. The commissioner must transfer</u></b>		
647.28	<b><u>\$447,000 in fiscal year 2018 and \$447,000 in</u></b>		
647.29	<b><u>fiscal year 2019 to the enterprise fund for</u></b>		
647.30	<b><u>CARE.</u></b>		
647.31	<b><u>(c) Base Level Adjustment. The general fund</u></b>		
647.32	<b><u>base is \$118,140,000 in fiscal year 2020 and</u></b>		
647.33	<b><u>\$118,140,000 in fiscal year 2021.</u></b>		
647.34	<b><u>Subd. 35. Direct Care and Treatment -</u></b>		
647.35	<b><u>Community-Based Services</u></b>	<u>25,652,000</u>	<u>20,543,000</u>



648.1	<u>(a) DCT Operating Adjustment (MSOCS).</u>		
648.2	<u>\$2,393,000 in fiscal year 2018 and \$2,393,000</u>		
648.3	<u>in fiscal year 2019 are for Minnesota State</u>		
648.4	<u>Operated Community Services (MSOCS)</u>		
648.5	<u>operating adjustments. The commissioner must</u>		
648.6	<u>transfer \$2,393,000 in fiscal year 2018 and</u>		
648.7	<u>\$2,393,000 in fiscal year 2019 to the enterprise</u>		
648.8	<u>fund for MSOCS.</u>		
648.9	<u>(b) MSOCS Sustainability. \$7,697,000 in</u>		
648.10	<u>fiscal year 2018 and \$2,588,000 in fiscal year</u>		
648.11	<u>2019 are for the Minnesota State Operated</u>		
648.12	<u>Community Services program. Of this amount,</u>		
648.13	<u>the commissioner must transfer \$6,697,000 in</u>		
648.14	<u>fiscal year 2018 and \$1,588,000 in fiscal year</u>		
648.15	<u>2019 to the enterprise fund for Minnesota State</u>		
648.16	<u>Operated Community Services. \$1,000,000 is</u>		
648.17	<u>available each year of the biennium for</u>		
648.18	<u>start-up expenses for new residential homes</u>		
648.19	<u>to be operated by Minnesota State Operated</u>		
648.20	<u>Community Services.</u>		
648.21	<u>(c) Base Level Adjustment. The general fund</u>		
648.22	<u>base is \$18,955,000 in fiscal year 2021.</u>		
648.23	<u>Subd. 36. Direct Care and Treatment - Forensic</u>		
648.24	<u>Services</u>	<u>102,806,000</u>	<u>106,958,000</u>
648.25	<u>Base Level Adjustment. The general fund</u>		
648.26	<u>base is \$109,828,000 in fiscal year 2020 and</u>		
648.27	<u>\$112,437,000 in fiscal year 2021.</u>		
648.28	<u>Subd. 37. Direct Care and Treatment - Sex</u>		
648.29	<u>Offender Program</u>	<u>89,217,000</u>	<u>89,225,000</u>
648.30	<u>Transfer Authority. Money appropriated for</u>		
648.31	<u>the Minnesota sex offender program may be</u>		
648.32	<u>transferred between fiscal years of the</u>		
648.33	<u>biennium with the approval of the</u>		
648.34	<u>commissioner of management and budget.</u>		

649.1	Subd. 38. <u>Direct Care and Treatment -</u>		
649.2	<u>Operations</u>	<u>45,151,000</u>	<u>45,708,000</u>
649.3	<b>Base Level Adjustment.</b> The general fund		
649.4	base is \$45,995,000 in fiscal year 2020 and		
649.5	<u>\$46,256,000 in fiscal year 2021.</u>		
649.6	Subd. 39. <u>Technical Activities</u>	<u>84,384,000</u>	<u>84,258,000</u>
649.7	(a) This appropriation is from the federal		
649.8	<u>TANF fund.</u>		
649.9	(b) <b>Base Level Adjustment.</b> The TANF fund		
649.10	base is \$86,346,000 in fiscal year 2020 and		
649.11	<u>\$86,355,000 in fiscal year 2021.</u>		
649.12	Sec. 3. <b>COMMISSIONER OF HEALTH</b>		
649.13	Subdivision 1. <b>Total Appropriation</b>	\$ <u>213,792,000</u>	\$ <u>207,347,000</u>
649.14	<u>Appropriations by Fund</u>		
649.15		<u>2018</u>	<u>2019</u>
649.16	<u>General</u>	<u>111,829,000</u>	<u>105,274,000</u>
649.17	<u>State Government</u>		
649.18	<u>Special Revenue</u>	<u>53,607,000</u>	<u>54,102,000</u>
649.19	<u>Health Care Access</u>	<u>36,643,000</u>	<u>36,258,000</u>
649.20	<u>Federal TANF</u>	<u>11,713,000</u>	<u>11,713,000</u>
649.21	The amounts that may be spent for each		
649.22	<u>purpose are specified in the following</u>		
649.23	<u>subdivisions.</u>		
649.24	Subd. 2. <b>Health Improvement</b>		
649.25	<u>Appropriations by Fund</u>		
649.26	<u>General</u>	<u>81,438,000</u>	<u>78,100,000</u>
649.27	<u>State Government</u>		
649.28	<u>Special Revenue</u>	<u>6,215,000</u>	<u>6,182,000</u>
649.29	<u>Health Care Access</u>	<u>36,643,000</u>	<u>36,258,000</u>
649.30	<u>Federal TANF</u>	<u>11,713,000</u>	<u>11,713,000</u>
649.31	(a) <b>TANF Appropriations.</b> (1) \$3,579,000		
649.32	<u>of the TANF fund each year is for home</u>		
649.33	<u>visiting and nutritional services listed under</u>		
649.34	<u>Minnesota Statutes, section 145.882,</u>		



650.1 subdivision 7, clauses (6) and (7). Funds must  
650.2 be distributed to community health boards  
650.3 according to Minnesota Statutes, section  
650.4 145A.131, subdivision 1.

650.5 (2) \$2,000,000 of the TANF fund each year  
650.6 is for decreasing racial and ethnic disparities  
650.7 in infant mortality rates under Minnesota  
650.8 Statutes, section 145.928, subdivision 7.

650.9 (3) \$4,978,000 of the TANF fund each year  
650.10 is for the family home visiting grant program  
650.11 according to Minnesota Statutes, section  
650.12 145A.17. \$4,000,000 of the funding must be  
650.13 distributed to community health boards  
650.14 according to Minnesota Statutes, section  
650.15 145A.131, subdivision 1. \$978,000 of the  
650.16 funding must be distributed to tribal  
650.17 governments according to Minnesota Statutes,  
650.18 section 145A.14, subdivision 2a.

650.19 (4) \$1,156,000 of the TANF fund each year  
650.20 is for family planning grants under Minnesota  
650.21 Statutes, section 145.925.

650.22 (5) The commissioner may use up to 6.23  
650.23 percent of the funds appropriated each year to  
650.24 conduct the ongoing evaluations required  
650.25 under Minnesota Statutes, section 145A.17,  
650.26 subdivision 7, and training and technical  
650.27 assistance as required under Minnesota  
650.28 Statutes, section 145A.17, subdivisions 4 and  
650.29 5.

650.30 (b) TANF Carryforward. Any unexpended  
650.31 balance of the TANF appropriation in the first  
650.32 year of the biennium does not cancel but is  
650.33 available for the second year.

651.1 (c) Evidence-Based Home Visiting.  
651.2 \$6,000,000 in fiscal year 2018 and \$6,000,000  
651.3 in fiscal year 2019 are from the general fund  
651.4 to start up or expand evidence-based home  
651.5 visiting programs. The commissioner shall  
651.6 award grants to community health boards,  
651.7 nonprofits, or tribal nations in urban and rural  
651.8 areas of the state. Grant funds must be used  
651.9 to start up or expand evidence-based home  
651.10 visiting programs in the county, reservation,  
651.11 or region to serve families, such as parents  
651.12 with high risk or high needs, parents with a  
651.13 history of mental illness, domestic abuse, or  
651.14 substance abuse, or first-time mothers  
651.15 prenatally until the child is four years of age,  
651.16 who are eligible for medical assistance under  
651.17 Minnesota Statutes, chapter 256B, or the  
651.18 federal Special Supplemental Nutrition  
651.19 Program for Women, Infants, and Children.  
651.20 Priority for grants to rural areas shall be given  
651.21 to community health boards, nonprofits, and  
651.22 tribal nations that expand services within  
651.23 regional partnerships that provide the  
651.24 evidence-based home visiting programs. This  
651.25 funding shall only be used to supplement, not  
651.26 to replace, funds being used for  
651.27 evidence-based home visiting services as of  
651.28 June 30, 2017. Up to seven percent of the  
651.29 appropriation may be used for training,  
651.30 technical assistance, evaluation, and other  
651.31 costs to administer the grants. The general  
651.32 fund base for this program is \$16,500,000 in  
651.33 fiscal year 2020 and \$16,500,000 in fiscal year  
651.34 2021.

651.35 (d) Safe Harbor for Sexually Exploited  
651.36 Youth Services. \$250,000 in fiscal year 2018



652.1 and \$250,000 in fiscal year 2019 are from the  
652.2 general fund for trauma-informed, culturally  
652.3 specific services for sexually exploited youth.  
652.4 Youth 24 years of age or younger are eligible  
652.5 for services under this paragraph.

652.6 **(e) Safe Harbor Program Technical**

652.7 **Assistance and Evaluation.** \$200,000 in  
652.8 fiscal year 2018 and \$200,000 in fiscal year  
652.9 2019 are from the general fund for training,  
652.10 technical assistance, protocol implementation,  
652.11 and evaluation activities related to the safe  
652.12 harbor program. Of these amounts:

652.13 (1) \$90,000 each fiscal year is for providing  
652.14 training and technical assistance to individuals  
652.15 and organizations that provide safe harbor  
652.16 services and receive funds for that purpose  
652.17 from the commissioner of human services or  
652.18 commissioner of health;

652.19 (2) \$90,000 each fiscal year is for protocol  
652.20 implementation, which includes providing  
652.21 technical assistance in establishing best  
652.22 practices-based systems for effectively  
652.23 identifying, interacting with, and referring  
652.24 sexually exploited youth to appropriate  
652.25 resources; and

652.26 (3) \$20,000 each fiscal year is for program  
652.27 evaluation activities in compliance with  
652.28 Minnesota Statutes, section 145.4718.

652.29 **(f) Promoting Safe Harbor Capacity. In**

652.30 funding services and activities under  
652.31 paragraphs (d) and (e), the commissioner shall  
652.32 emphasize activities that promote  
652.33 capacity-building and development of  
652.34 resources in greater Minnesota.

- 653.1 (g) Administration of Safe Harbor  
653.2 Program. \$60,000 in fiscal year 2018 and  
653.3 \$60,000 in fiscal year 2019 are for  
653.4 administration of the safe harbor for sexually  
653.5 exploited youth program.
- 653.6 (h) Palliative Care Advisory Council.  
653.7 \$44,000 in fiscal year 2018 and \$44,000 in  
653.8 fiscal year 2019 are from the general fund for  
653.9 the Palliative Care Advisory Council under  
653.10 Minnesota Statutes, section 144.059. This is  
653.11 a onetime appropriation.
- 653.12 (i) Transfer; Minnesota Biomedicine and  
653.13 Bioethics Innovation Grants. \$2,500,000 in  
653.14 fiscal year 2018 is from the general fund for  
653.15 transfer to the Board of Regents of the  
653.16 University of Minnesota for Minnesota  
653.17 biomedicine and bioethics innovation grants  
653.18 under Minnesota Statutes, section 137.67. The  
653.19 full amount of the appropriation is for grants,  
653.20 and the University of Minnesota shall not use  
653.21 any portion for administrative or monitoring  
653.22 expenses. The steering committee of the  
653.23 University of Minnesota and Mayo Foundation  
653.24 partnership must submit a preliminary report  
653.25 by April 1, 2018, and a final report by April  
653.26 1, 2019, on all grant activities funded under  
653.27 Minnesota Statutes, section 137.67, to the  
653.28 chairs and ranking minority members of the  
653.29 legislative committees with jurisdiction over  
653.30 health and human services finance. This is a  
653.31 onetime appropriation and is available until  
653.32 June 30, 2021.
- 653.33 (j) Statewide Strategic Plan for Victims of  
653.34 Sex Trafficking. \$73,000 in fiscal year 2018  
653.35 is from the general fund for the development



654.1 of a comprehensive statewide strategic plan  
654.2 and report to address the needs of sex  
654.3 trafficking victims statewide. This is a onetime  
654.4 appropriation.

654.5 **(k) Home and Community-Based Services**  
654.6 **Employee Scholarship Program. \$500,000**  
654.7 in fiscal year 2018 and \$500,000 in fiscal year  
654.8 2019 are from the general fund for the home  
654.9 and community-based services employee  
654.10 scholarship program under Minnesota Statutes,  
654.11 section 144.1503.

654.12 **(l) Comprehensive Advanced Life Support**  
654.13 **Educational Program. \$100,000 in fiscal**  
654.14 year 2018 and \$100,000 in fiscal year 2019  
654.15 are from the general fund for the  
654.16 comprehensive advanced life support  
654.17 educational program under Minnesota Statutes,  
654.18 section 144.6062. This is a onetime  
654.19 appropriation.

654.20 **(m) Opioid Abuse Prevention. \$1,028,000**  
654.21 in fiscal year 2018 is to establish and evaluate  
654.22 accountable community for health opioid  
654.23 abuse prevention pilot projects. \$28,000 of  
654.24 this amount is for administration. This is a  
654.25 onetime appropriation and is available until  
654.26 June 30, 2021.

654.27 **(n) Advanced Care Planning. \$250,000 in**  
654.28 fiscal year 2018 and \$250,000 in fiscal year  
654.29 2019 are from the general fund for a grant to  
654.30 a statewide advanced care planning resource  
654.31 organization that has expertise in convening  
654.32 and coordinating community-based strategies  
654.33 to encourage individuals, families, caregivers,  
654.34 and health care providers to begin  
654.35 conversations regarding end-of-life care

655.1 choices that express an individual's health care  
655.2 values and preferences and are based on  
655.3 informed health care decisions. Of this  
655.4 amount, \$9,000 each year is for administration.  
655.5 This is a onetime appropriation.

655.6 **(o) Health Professionals Clinical Training**  
655.7 **Expansion Grant Program. \$526,000 in**  
655.8 **fiscal year 2018 and \$526,000 in fiscal year**  
655.9 **2019 are from the general fund for the primary**  
655.10 **care and mental health professions clinical**  
655.11 **training expansion grant program under**  
655.12 **Minnesota Statutes, section 144.1505. Of this**  
655.13 **amount, \$26,000 each year is for**  
655.14 **administration.**

655.15 **(p) Federally Qualified Health Centers.**  
655.16 **\$500,000 in fiscal year 2018 and \$500,000 in**  
655.17 **fiscal year 2019 are from the general fund to**  
655.18 **provide subsidies to federally qualified health**  
655.19 **centers under Minnesota Statutes, section**  
655.20 **145.9269. This is a onetime appropriation.**

655.21 **(q) Base Level Adjustments. The general**  
655.22 **fund base is \$87,656,000 in fiscal year 2020**  
655.23 **and \$87,706,000 in fiscal year 2021. The**  
655.24 **health care access fund base is \$36,858,000**  
655.25 **in fiscal year 2020 and \$36,258,000 in fiscal**  
655.26 **year 2021.**

655.27 **Subd. 3. Health Protection**

655.28	<u>Appropriations by Fund</u>		
655.29	<u>General</u>	<u>20,928,000</u>	<u>17,339,000</u>
655.30	<u>State Government</u>		
655.31	<u>Special Revenue</u>	<u>47,392,000</u>	<u>47,920,000</u>

655.32 **(a) Prescribed Pediatric Extended Care**  
655.33 **Center Licensure Activities. \$64,000 in fiscal**  
655.34 **year 2018 and \$17,000 in fiscal year 2019 are**  
655.35 **from the state government special revenue**



656.1 fund for licensure of prescribed pediatric  
656.2 extended care centers under Minnesota  
656.3 Statutes, chapter 144H.

656.4 **(b) Vulnerable Adults in Health Care**  
656.5 **Settings.** \$1,162,000 in fiscal year 2018 and  
656.6 \$2,030,000 in fiscal year 2019 are from the  
656.7 general fund for regulating health care and  
656.8 home care settings. The general fund base for  
656.9 this purpose is \$2,401,000 in fiscal year 2020  
656.10 and \$3,405,000 in fiscal year 2021.

656.11 **(c) Transfer; Public Health Response**  
656.12 **Contingency Account.** The commissioner  
656.13 shall transfer \$5,000,000 in fiscal year 2018  
656.14 from the general fund to the public health  
656.15 response contingency account established in  
656.16 Minnesota Statutes, section 144.4199.

656.17 **(d) Base Level Adjustment.** The general fund  
656.18 base is \$17,710,000 in fiscal year 2020 and  
656.19 \$18,714,000 in fiscal year 2021. The state  
656.20 government special revenue fund base is  
656.21 \$47,958,000 in fiscal year 2020 and  
656.22 \$48,295,000 in fiscal year 2021.

656.23	<b><u>Subd. 4. Health Operations</u></b>	<u>9,463,000</u>	<u>9,835,000</u>
--------	--	------------------	------------------

656.24 **Sec. 4. HEALTH-RELATED BOARDS**

656.25	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$ 24,996,000</u></b>	<b><u>\$ 23,189,000</u></b>
--------	--	-----------------------------	-----------------------------

656.26 This appropriation is from the state  
656.27 government special revenue fund. The  
656.28 amounts that may be spent for each purpose  
656.29 are specified in the following subdivisions.

656.30	<b><u>Subd. 2. Board of Chiropractic Examiners</u></b>	<u>565,000</u>	<u>571,000</u>
--------	--	----------------	----------------

656.31 **Base Level Adjustment.** The base is \$576,000  
656.32 in fiscal year 2020 and \$576,000 in fiscal year  
656.33 2021.

657.1	<u>Subd. 3. Board of Dentistry</u>	<u>1,396,000</u>	<u>1,408,000</u>
657.2	<u>Subd. 4. Board of Dietetics and Nutrition</u>		
657.3	<u>Practice</u>	<u>130,000</u>	<u>132,000</u>
657.4	<u>Subd. 5. Board of Marriage and Family Therapy</u>	<u>360,000</u>	<u>357,000</u>
657.5	<u>Base Level Adjustment. The base is \$360,000</u>		
657.6	<u>in fiscal year 2020 and \$361,000 in fiscal year</u>		
657.7	<u>2021.</u>		
657.8	<u>Subd. 6. Board of Medical Practice</u>	<u>5,207,000</u>	<u>5,243,000</u>
657.9	<u>(a) Health Professional Services Program.</u>		
657.10	<u>This appropriation includes \$955,000 in fiscal</u>		
657.11	<u>year 2018 and \$964,000 in fiscal year 2019</u>		
657.12	<u>for the health professional services program.</u>		
657.13	<u>The base for this program is \$924,000 in fiscal</u>		
657.14	<u>year 2020 and \$924,000 in fiscal year 2021.</u>		
657.15	<u>(b) Base Level Adjustment. The base is</u>		
657.16	<u>\$5,291,000 in fiscal year 2020 and \$5,291,000</u>		
657.17	<u>in fiscal year 2021.</u>		
657.18	<u>Subd. 7. Board of Nursing</u>	<u>6,380,000</u>	<u>4,783,000</u>
657.19	<u>Subd. 8. Board of Nursing Home Administrators</u>	<u>3,397,000</u>	<u>3,202,000</u>
657.20	<u>(a) Administrative Services Unit - Operating</u>		
657.21	<u>Costs. Of this appropriation, \$2,260,000 in</u>		
657.22	<u>fiscal year 2018 and \$2,287,000 in fiscal year</u>		
657.23	<u>2019 are for operating costs of the</u>		
657.24	<u>administrative services unit. The</u>		
657.25	<u>administrative services unit may receive and</u>		
657.26	<u>expend reimbursements for services it</u>		
657.27	<u>performs for other agencies.</u>		
657.28	<u>(b) Administrative Services Unit - Volunteer</u>		
657.29	<u>Health Care Provider Program. Of this</u>		
657.30	<u>appropriation, \$150,000 in fiscal year 2018</u>		
657.31	<u>and \$150,000 in fiscal year 2019 are to pay</u>		
657.32	<u>for medical professional liability coverage</u>		
657.33	<u>required under Minnesota Statutes, section</u>		
657.34	<u>214.40.</u>		



658.1 **(c) Administrative Services Unit -**

658.2 **Retirement Costs.** Of this appropriation,  
658.3 \$378,000 in fiscal year 2018 is a onetime  
658.4 appropriation to the administrative services  
658.5 unit to pay for the retirement costs of  
658.6 health-related board employees. This funding  
658.7 may be transferred to the health board  
658.8 incurring retirement costs. Any board that has  
658.9 an unexpended balance for an amount  
658.10 transferred under this paragraph shall transfer  
658.11 the unexpended amount to the administrative  
658.12 services unit. These funds are available either  
658.13 year of the biennium.

658.14 **(d) Administrative Services Unit -**

658.15 **Health-Related Licensing Boards Operating**  
658.16 **Costs.** Of this appropriation, \$194,000 in  
658.17 fiscal year 2018 and \$350,000 in fiscal year  
658.18 2019 shall be transferred to the health-related  
658.19 boards funded under this section for operating  
658.20 costs. The administrative services unit shall  
658.21 determine transfer amounts in consultation  
658.22 with the health-related boards funded under  
658.23 this section.

658.24 **(e) Administrative Services Unit - Contested**

658.25 **Cases and Other Legal Proceedings.** Of this  
658.26 appropriation, \$200,000 in fiscal year 2018  
658.27 and \$200,000 in fiscal year 2019 are for costs  
658.28 of contested case hearings and other  
658.29 unanticipated costs of legal proceedings  
658.30 involving health-related boards funded under  
658.31 this section. Upon certification by a  
658.32 health-related board to the administrative  
658.33 services unit that costs will be incurred and  
658.34 that there is insufficient money available to  
658.35 pay for the costs out of money currently

659.1	<u>available to that board, the administrative</u>		
659.2	<u>services unit is authorized to transfer money</u>		
659.3	<u>from this appropriation to the board for</u>		
659.4	<u>payment of those costs with the approval of</u>		
659.5	<u>the commissioner of management and budget.</u>		
659.6	<u>The commissioner of management and budget</u>		
659.7	<u>must require any board that has an unexpended</u>		
659.8	<u>balance for an amount transferred under this</u>		
659.9	<u>paragraph to transfer the unexpended amount</u>		
659.10	<u>to the administrative services unit to be</u>		
659.11	<u>deposited in the state government special</u>		
659.12	<u>revenue fund.</u>		
659.13	<b><u>Subd. 9. Board of Optometry</u></b>	<u>173,000</u>	<u>174,000</u>
659.14	<b><u>Subd. 10. Board of Pharmacy</u></b>	<u>3,124,000</u>	<u>3,164,000</u>
659.15	<b><u>Base Level Adjustment.</u></b> The base is		
659.16	<u>\$3,189,000 in fiscal year 2020 and \$3,226,000</u>		
659.17	<u>in fiscal year 2021.</u>		
659.18	<b><u>Subd. 11. Board of Physical Therapy</u></b>	<u>507,000</u>	<u>508,000</u>
659.19	<b><u>Base Level Adjustment.</u></b> The base is \$524,000		
659.20	<u>in fiscal year 2020 and \$526,000 in fiscal year</u>		
659.21	<u>2021.</u>		
659.22	<b><u>Subd. 12. Board of Podiatric Medicine</u></b>	<u>198,000</u>	<u>198,000</u>
659.23	<b><u>Subd. 13. Board of Psychology</u></b>	<u>1,220,000</u>	<u>1,240,000</u>
659.24	<b><u>Base Level Adjustment.</u></b> The base is		
659.25	<u>\$1,247,000 in fiscal year 2020 and \$1,247,000</u>		
659.26	<u>in fiscal year 2021.</u>		
659.27	<b><u>Subd. 14. Board of Social Work</u></b>	<u>1,254,000</u>	<u>1,246,000</u>
659.28	<b><u>Base Level Adjustment.</u></b> The base is		
659.29	<u>\$1,248,000 in fiscal year 2020 and \$1,250,000</u>		
659.30	<u>in fiscal year 2021.</u>		
659.31	<b><u>Subd. 15. Board of Veterinary Medicine</u></b>	<u>314,000</u>	<u>320,000</u>



660.1	<u><b>Base Level Adjustment.</b> The base is \$327,000</u>		
660.2	<u>in fiscal year 2020 and \$333,000 in fiscal year</u>		
660.3	<u>2021.</u>		
660.4	<u>Subd. 16. <b>Board of Behavioral Health and</b></u>		
660.5	<u><b>Therapy</b></u>	<u>771,000</u>	<u>643,000</u>
660.6	<u>Subd. 17. <b>Board of Occupational Therapy</b></u>		
660.7	<u><b>Practice</b></u>	<u>374,000</u>	<u>328,000</u>
660.8	<u>Sec. 5. <b>EMERGENCY MEDICAL SERVICES</b></u>		
660.9	<u><b>REGULATORY BOARD</b></u>	<u>\$ 3,667,000</u>	<u>\$ 3,596,000</u>
660.10	<u>(a) <b>Cooper/Sams Volunteer Ambulance</b></u>		
660.11	<u><b>Program.</b> \$950,000 in fiscal year 2018 and</u>		
660.12	<u>\$950,000 in fiscal year 2019 are for the</u>		
660.13	<u>Cooper/Sams volunteer ambulance program</u>		
660.14	<u>under Minnesota Statutes, section 144E.40.</u>		
660.15	<u>(1) Of this amount, \$861,000 in fiscal year</u>		
660.16	<u>2018 and \$861,000 in fiscal year 2019 are for</u>		
660.17	<u>the ambulance service personnel longevity</u>		
660.18	<u>award and incentive program under Minnesota</u>		
660.19	<u>Statutes, section 144E.40.</u>		
660.20	<u>(2) Of this amount, \$89,000 in fiscal year 2018</u>		
660.21	<u>and \$89,000 in fiscal year 2019 are for the</u>		
660.22	<u>operations of the ambulance service personnel</u>		
660.23	<u>longevity award and incentive program under</u>		
660.24	<u>Minnesota Statutes, section 144E.40.</u>		
660.25	<u>(b) <b>EMSRB Operations.</b> \$1,771,000 in fiscal</u>		
660.26	<u>year 2018 and \$1,700,000 in fiscal year 2019</u>		
660.27	<u>are for board operations. The base for this</u>		
660.28	<u>program is \$1,702,000 in fiscal year 2020 and</u>		
660.29	<u>\$1,702,000 in fiscal year 2021.</u>		
660.30	<u>(c) <b>Regional Grants.</b> \$585,000 in fiscal year</u>		
660.31	<u>2018 and \$585,000 in fiscal year 2019 are for</u>		
660.32	<u>regional emergency medical services</u>		
660.33	<u>programs, to be distributed equally to the eight</u>		

661.1 emergency medical service regions under

661.2 Minnesota Statutes, section 144E.52.

661.3 (d) Ambulance Training Grant. \$361,000

661.4 in fiscal year 2018 and \$361,000 in fiscal year

661.5 2019 are for training grants under Minnesota

661.6 Statutes, section 144E.35.

**661.7 (e) Base Level Adjustment.** The base is

661.8 \$3,598,000 in fiscal year 2020 and \$3,598,000

661.9 in fiscal year 2021.

661.10	Sec. 6. <u>COUNCIL ON DISABILITY</u>	\$	893,000	\$	892,000
--------	--------------------------------------	----	---------	----	---------

**661.11 Base Level Adjustment.** The base is \$856,000

661.12 in fiscal year 2020 and \$858,000 in fiscal year

661.13 2021.661.14 Sec. 7. OMBUDSMAN FOR MENTAL661.15 HEALTH AND DEVELOPMENTAL

661.16	<b><u>DISABILITIES</u></b>	\$	<b><u>2,407,000</u></b>	\$	<b><u>2,427,000</u></b>
--------	----------------------------	----	-------------------------	----	-------------------------

661.17 **Department of Psychiatry Monitoring.**

661.18 \$100,000 in fiscal year 2018 and \$100,000 in

661.19 fiscal year 2019 are for monitoring the

661.20 Department of Psychiatry at the University of

661.21 Minnesota.

661.22	Sec. 8. <u>OMBUDSPERSONS FOR FAMILIES</u>	\$	460,000	\$	465,000
--------	---	----	---------	----	---------

661.23 Sec. 9. Laws 2009, chapter 101, article 1, section 12, is amended to read:

661.24 Sec. 12. ADMINISTRATION

661.25	Subdivision 1. <b>Total Appropriation</b>	\$	<b>19,973,000</b>	\$	<b>19,617,000</b>
--------	---	----	-------------------	----	-------------------

661.26 Appropriations by Fund

661.27	2010	2011
--------	------	------

661.28	General	19,723,000	19,617,000
--------	---------	------------	------------

661.29 Special Revenue

661.30	Fund	250,000	0
--------	------	---------	---



662.1	The amounts that may be spent for each		
662.2	purpose are specified in the following		
662.3	subdivisions.		
662.4	Subd. 2. <b>Government and Citizen Services</b>	18,097,000	17,766,000
662.5	Appropriations by Fund		
662.6	General	17,847,000	17,766,000
662.7	Special Revenue		
662.8	Fund	250,000	0
662.9	(a) \$802,000 the first year and \$802,000 the		
662.10	second year are for the Minnesota Geospatial		
662.11	Information Office. Of the total appropriation,		
662.12	\$10,000 per year is intended for preparation		
662.13	of township acreage data in Laws 2008,		
662.14	chapter 366, article 17, section 7, subdivision		
662.15	3.		
662.16	(b) \$74,000 the first year and \$74,000 the		
662.17	second year are for the Council on		
662.18	Developmental Disabilities.		
662.19	<del>(c) \$127,000 the first year and \$127,000 the</del>		
662.20	<del>second year are for transfer to the</del>		
662.21	<del>commissioner of human services for a grant</del>		
662.22	<del>to the Council on Developmental Disabilities</del>		
662.23	<del>for the purpose of establishing a statewide</del>		
662.24	<del>self-advocacy network for persons with</del>		
662.25	<del>intellectual and developmental disabilities</del>		
662.26	<del>(ID/DD). The self-advocacy network shall:</del>		
662.27	<del>(1) ensure that persons with ID/DD are</del>		
662.28	<del>informed of their rights in employment,</del>		
662.29	<del>housing, transportation, voting, government</del>		
662.30	<del>policy, and other issues pertinent to the ID/DD</del>		
662.31	<del>community; (2) provide public education and</del>		
662.32	<del>awareness of the civil and human rights issues</del>		
662.33	<del>persons with ID/DD face; (3) provide funds,</del>		
662.34	<del>technical assistance, and other resources for</del>		
662.35	<del>self-advocacy groups across the state; and (4)</del>		

663.1 ~~organize systems of communications to~~  
663.2 ~~facilitate an exchange of information between~~  
663.3 ~~self-advocacy groups. This appropriation must~~  
663.4 ~~be included in the base budget for the~~  
663.5 ~~commissioner of human services for the~~  
663.6 ~~biennium beginning July 1, 2011.~~

663.7 (d) \$250,000 the first year and \$170,000 the  
663.8 second year are to fund activities to prepare  
663.9 for and promote the 2010 census.

663.10 (e) \$206,000 the first year and \$206,000 the  
663.11 second year are for the Office of the State  
663.12 Archaeologist.

663.13 (f) \$8,388,000 the first year and \$8,388,000  
663.14 the second year are for office space costs of  
663.15 the legislature and veterans organizations, for  
663.16 ceremonial space, and for statutorily free  
663.17 space.

663.18 (g) \$3,500,000 of the balance in the facilities  
663.19 repair and replacement account in the special  
663.20 revenue fund is canceled to the general fund  
663.21 on July 1, 2009. This is a onetime cancellation.

663.22 (h) The requirements imposed on the  
663.23 commissioner of finance and the commissioner  
663.24 of administration under Laws 2007, chapter  
663.25 148, article 1, section 12, subdivision 2,  
663.26 paragraph (b), relating to the savings  
663.27 attributable to the real property portfolio  
663.28 management system are inoperative.

663.29 (i) \$250,000 is appropriated to the  
663.30 commissioner of administration from the  
663.31 information and telecommunications account  
663.32 in the special revenue fund to continue  
663.33 planning for data center consolidation,  
663.34 including beginning a predesign study and



664.1	lifecycle cost analysis, and exploring		
664.2	technologies to reduce energy consumption		
664.3	and operating costs.		
664.4	<b>Subd. 3. Administrative Management Support</b>	1,876,000	1,851,000
664.5	\$125,000 each year is for the Office of Grant		
664.6	Management. During the biennium ending		
664.7	June 30, 2011, the commissioner must recover		
664.8	this amount through deductions in state grants		
664.9	subject to the jurisdiction of the office. The		
664.10	commissioner may not deduct more than 2.5		
664.11	percent from the amount of any grant. The		
664.12	amount deducted from appropriations for these		
664.13	grants must be deposited in the general fund.		
664.14	\$25,000 the first year is for the Office of		
664.15	Grants Management to study and make		
664.16	recommendations on improving collaborative		
664.17	activities between the state, nonprofit entities,		
664.18	and the private sector, including: (1)		
664.19	recommendations for expanding successful		
664.20	initiatives involving not-for-profit		
664.21	organizations that have demonstrated		
664.22	measurable, positive results in addressing		
664.23	high-priority community issues; and (2)		
664.24	recommendations on grant requirements and		
664.25	design to encourage programs receiving grants		
664.26	to become self-sufficient. The office may		
664.27	appoint an advisory group to assist in the study		
664.28	and recommendations. The office must report		
664.29	its recommendations to the legislature by		
664.30	January 15, 2010.		
664.31	Sec. 10. Laws 2012, chapter 247, article 6, section 2, subdivision 2, is amended to read:		
664.32	<b>Subd. 2. Central Office Operations</b>		
664.33	<b>(a) Operations</b>	118,000	356,000

665.1 **Base Level Adjustment.** The general fund  
665.2 base is increased by \$91,000 in fiscal year  
665.3 2014 and \$44,000 in fiscal year 2015.

665.4 (b) Health Care	24,000	346,000
-----------------------	--------	---------

665.5 This is a onetime appropriation.

665.6 **Managed Care Audit Activities.** In fiscal  
665.7 year 2014, and in each even-numbered year  
665.8 thereafter, the commissioner shall transfer  
665.9 from the health care access fund \$1,740,000  
665.10 to the legislative auditor for managed care  
665.11 audit services under Minnesota Statutes,  
665.12 section 256B.69, subdivision 9d. This is a  
665.13 biennial appropriation. The health care access  
665.14 fund base is increased by \$1,842,000 in fiscal  
665.15 year 2014. ~~Notwithstanding any contrary~~  
665.16 ~~provision in this article, this paragraph does~~  
665.17 ~~not expire.~~

665.18 (c) Continuing Care	19,000	375,000
----------------------------	--------	---------

665.19 **Base Level Adjustment.** The general fund  
665.20 base is decreased by \$159,000 in fiscal years  
665.21 2014 and 2015.

665.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

665.23 Sec. 11. Laws 2013, chapter 108, article 15, section 2, subdivision 2, is amended to read:

665.24 Subd. 2. **Central Office**

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

665.27 (a) Operations	2,909,000	8,957,000
-----------------------	-----------	-----------

665.28 **Base Adjustment.** The general fund base is  
665.29 decreased by \$8,916,000 in fiscal year 2016  
665.30 and \$8,916,000 in fiscal year 2017.

665.31 (b) Children and Families	109,000	206,000
----------------------------------	---------	---------

665.32 (c) Continuing Care	2,849,000	3,574,000
----------------------------	-----------	-----------



666.1	<b>Base Adjustment.</b> The general fund base is		
666.2	decreased by \$2,000 in fiscal year 2016 and		
666.3	by \$27,000 in fiscal year 2017.		
666.4	<b>(d) Group Residential Housing</b>	(1,166,000)	(8,602,000)
666.5	<b>(e) Medical Assistance</b>	(3,950,000)	(6,420,000)
666.6	<b>(f) Alternative Care</b>	(7,386,000)	(6,851,000)
666.7	<b>(g) Child and Community Service Grants</b>	3,000,000	3,000,000
666.8	<b>(h) Aging and Adult Services Grants</b>	5,365,000	5,936,000
666.9	<del><b>Gaps Analysis.</b> In fiscal year 2014, and in</del>		
666.10	<del>each even-numbered year thereafter, \$435,000</del>		
666.11	<del>is appropriated to conduct an analysis of gaps</del>		
666.12	<del>in long-term care services under Minnesota</del>		
666.13	<del>Statutes, section 144A.351. This is a biennial</del>		
666.14	<del>appropriation. The base is increased by</del>		
666.15	<del>\$435,000 in fiscal year 2016. Notwithstanding</del>		
666.16	<del>any contrary provisions in this article, this</del>		
666.17	<del>provision does not expire.</del>		
666.18	<b>Base Adjustment.</b> The general fund base is		
666.19	increased by \$498,000 in fiscal year 2016, and		
666.20	decreased by \$124,000 in fiscal year 2017.		
666.21	<b>(i) Disabilities Grants</b>	414,000	414,000
666.22	Sec. 12. Laws 2015, chapter 71, article 14, section 3, subdivision 2, as amended by Laws		
666.23	2015, First Special Session chapter 6, section 2, is amended to read:		
666.24	<b>Subd. 2. Health Improvement</b>		
666.25	Appropriations by Fund		
666.26	General	68,653,000	68,984,000
666.27	State Government		
666.28	Special Revenue	6,264,000	6,182,000
666.29	Health Care Access	33,987,000	33,421,000
666.30	Federal TANF	11,713,000	11,713,000
666.31	<b>Violence Against Asian Women Working</b>		
666.32	<b>Group.</b> \$200,000 in fiscal year 2016 from the		

667.1 general fund is for the working group on  
667.2 violence against Asian women and children.

667.3 **MERC Program.** \$1,000,000 in fiscal year  
667.4 2016 and \$1,000,000 in fiscal year 2017 are  
667.5 from the general fund for the MERC program  
667.6 under Minnesota Statutes, section 62J.692,  
667.7 subdivision 4.

667.8 **Poison Information Center Grants.**  
667.9 \$750,000 in fiscal year 2016 and \$750,000 in  
667.10 fiscal year 2017 are from the general fund for  
667.11 regional poison information center grants  
667.12 under Minnesota Statutes, section 145.93.

667.13 **Advanced Care Planning.** \$250,000 in fiscal  
667.14 year 2016 is from the general fund to award  
667.15 a grant to a statewide advance care planning  
667.16 resource organization that has expertise in  
667.17 convening and coordinating community-based  
667.18 strategies to encourage individuals, families,  
667.19 caregivers, and health care providers to begin  
667.20 conversations regarding end-of-life care  
667.21 choices that express an individual's health care  
667.22 values and preferences and are based on  
667.23 informed health care decisions. This is a  
667.24 onetime appropriation.

667.25 **Early Dental Prevention Initiatives.**  
667.26 \$172,000 in fiscal year 2016 and \$140,000 in  
667.27 fiscal year 2017 are for the development and  
667.28 distribution of the early dental prevention  
667.29 initiative under Minnesota Statutes, section  
667.30 144.3875.

667.31 **International Medical Graduate Assistance**  
667.32 **Program.** (a) \$500,000 in fiscal year 2016  
667.33 and \$500,000 in fiscal year 2017 are from the  
667.34 health care access fund for the grant programs



668.1 and necessary contracts under Minnesota  
668.2 Statutes, section 144.1911, subdivisions 3,  
668.3 paragraph (a), clause (4), and 4 and 5. The  
668.4 commissioner may use up to \$133,000 per  
668.5 year of the appropriation for international  
668.6 medical graduate assistance program  
668.7 administration duties in Minnesota Statutes,  
668.8 section 144.1911, subdivisions 3, 9, and 10,  
668.9 and for administering the grant programs  
668.10 under Minnesota Statutes, section 144.1911,  
668.11 subdivisions 4, 5, and 6. The commissioner  
668.12 shall develop recommendations for any  
668.13 additional funding required for initiatives  
668.14 needed to achieve the objectives of Minnesota  
668.15 Statutes, section 144.1911. The commissioner  
668.16 shall report the funding recommendations to  
668.17 the legislature by January 15, 2016, in the  
668.18 report required under Minnesota Statutes,  
668.19 section 144.1911, subdivision 10. The base  
668.20 for this purpose is \$1,000,000 in fiscal years  
668.21 2018 and 2019.

668.22 (b) \$500,000 in fiscal year 2016 and \$500,000  
668.23 in fiscal year 2017 are from the health care  
668.24 access fund for transfer to the revolving  
668.25 international medical graduate residency  
668.26 account established in Minnesota Statutes,  
668.27 section 144.1911, subdivision 6. This is a  
668.28 onetime appropriation.

668.29 **Federally Qualified Health Centers.**  
668.30 \$1,000,000 in fiscal year 2016 and \$1,000,000  
668.31 in fiscal year 2017 are from the general fund  
668.32 to provide subsidies to federally qualified  
668.33 health centers under Minnesota Statutes,  
668.34 section 145.9269. This is a onetime  
668.35 appropriation.

669.1 **Organ Donation.** \$200,000 in fiscal year 2016  
669.2 is from the general fund to establish a grant  
669.3 program to develop and create culturally  
669.4 appropriate outreach programs that provide  
669.5 education about the importance of organ  
669.6 donation. Grants shall be awarded to a  
669.7 federally designated organ procurement  
669.8 organization and hospital system that performs  
669.9 transplants. This is a onetime appropriation.

669.10 **Primary Care Residency.** \$1,500,000 in  
669.11 fiscal year 2016 and \$1,500,000 in fiscal year  
669.12 2017 are from the general fund for the  
669.13 purposes of the primary care residency  
669.14 expansion grant program under Minnesota  
669.15 Statutes, section 144.1506.

669.16 **~~Somali Women's Health Pilot Autism~~**  
669.17 **Program.** (a) The commissioner of health  
669.18 ~~shall establish a pilot program between one or~~  
669.19 ~~more federally qualified health centers, as~~  
669.20 ~~defined under Minnesota Statutes, section~~  
669.21 ~~145.9269, a nonprofit organization that helps~~  
669.22 ~~Somali women, and the Minnesota Evaluation~~  
669.23 ~~Studies Institute, to develop a promising~~  
669.24 ~~strategy to address the preventative and~~  
669.25 ~~primary health care needs of, and address~~  
669.26 ~~health inequities experienced by, first~~  
669.27 ~~generation Somali women. The pilot program~~  
669.28 ~~must collaboratively develop a patient flow~~  
669.29 ~~process for first generation Somali women by:~~  
  
669.30 (1) ~~addressing and identifying clinical and~~  
669.31 ~~cultural barriers to Somali women accessing~~  
669.32 ~~preventative and primary care, including, but~~  
669.33 ~~not limited to, cervical and breast cancer~~  
669.34 ~~screenings;~~



670.1 (2) developing a culturally appropriate health  
670.2 curriculum for Somali women based on the  
670.3 outcomes from the community-based  
670.4 participatory research report "Cultural  
670.5 Traditions and the Reproductive Health of  
670.6 Somali Refugees and Immigrants" to increase  
670.7 the health literacy of Somali women and  
670.8 develop culturally specific health care  
670.9 information; and

670.10 (3) training the federally qualified health  
670.11 center's providers and staff to enhance  
670.12 provider and staff cultural competence  
670.13 regarding the cultural barriers, including  
670.14 female genital cutting.

670.15 (b) The pilot program must develop a process  
670.16 that results in increased screening rates for  
670.17 cervical and breast cancer and can be  
670.18 replicated by other providers serving ethnic  
670.19 minorities. The pilot program must conduct  
670.20 an evaluation of the new patient flow process  
670.21 used by Somali women to access federally  
670.22 qualified health centers services award a grant  
670.23 to Dakota County to partner with a  
670.24 community-based organization with expertise  
670.25 in serving Somali children with autism. The  
670.26 grant must address barriers to accessing health  
670.27 care and other resources by providing outreach  
670.28 to Somali families on available support and  
670.29 training to providers on Somali culture.

670.30 (c) The pilot program must report the  
670.31 outcomes to the commissioner by June 30,  
670.32 2017. The grantee shall report to the  
670.33 commissioner and the chairs and ranking  
670.34 minority members of the legislative  
670.35 committees with jurisdiction over health care

671.1 policy and finance on the grant funds used and  
671.2 any notable outcomes achieved by January 15,  
671.3 2019.

671.4 (d) \$110,000 in fiscal year 2016 is for the  
671.5 ~~Somali women's health pilot program grant to~~  
671.6 Dakota County. Of this appropriation, the  
671.7 commissioner may use up to \$10,000 to  
671.8 administer the ~~program grant to Dakota~~  
671.9 County. This appropriation is available until  
671.10 June 30, 2017. This is a onetime appropriation.

671.11 **Menthol Cigarette Usage in**  
671.12 **African-American Community Intervention**  
671.13 **Grants.** Of the health care access fund  
671.14 appropriation for the statewide health  
671.15 improvement program, \$200,000 in fiscal year  
671.16 2016 is for at least one grant that must be  
671.17 awarded by the commissioner to implement  
671.18 strategies and interventions to reduce the  
671.19 disproportionately high usage of cigarettes by  
671.20 African-Americans, especially the use of  
671.21 menthol-flavored cigarettes, as well as the  
671.22 disproportionate harm tobacco causes in that  
671.23 community. The grantee shall engage  
671.24 members of the African-American community  
671.25 and community-based organizations. This  
671.26 grant shall be awarded as part of the statewide  
671.27 health improvement program grants awarded  
671.28 on November 1, 2015, and must meet the  
671.29 requirements of Minnesota Statutes, section  
671.30 145.986.

671.31 **Targeted Home Visiting System.** (a) \$75,000  
671.32 in fiscal year 2016 is for the commissioner of  
671.33 health, in consultation with the commissioners  
671.34 of human services and education, community  
671.35 health boards, tribal nations, and other home



672.1 visiting stakeholders, to design baseline  
672.2 training for new home visitors to ensure  
672.3 statewide coordination across home visiting  
672.4 programs.

672.5 (b) \$575,000 in fiscal year 2016 and  
672.6 \$2,000,000 fiscal year 2017 are to provide  
672.7 grants to community health boards and tribal  
672.8 nations for start-up grants for new  
672.9 nurse-family partnership programs and for  
672.10 grants to expand existing programs to serve  
672.11 first-time mothers, prenatally by 28 weeks  
672.12 gestation until the child is two years of age,  
672.13 who are eligible for medical assistance under  
672.14 Minnesota Statutes, chapter 256B, or the  
672.15 federal Special Supplemental Nutrition  
672.16 Program for Women, Infants, and Children.  
672.17 The commissioner shall award grants to  
672.18 community health boards or tribal nations in  
672.19 metropolitan and rural areas of the state.  
672.20 Priority for all grants shall be given to  
672.21 nurse-family partnership programs that  
672.22 provide services through a Minnesota health  
672.23 care program-enrolled provider that accepts  
672.24 medical assistance. Additionally, priority for  
672.25 grants to rural areas shall be given to  
672.26 community health boards and tribal nations  
672.27 that expand services within regional  
672.28 partnerships that provide the nurse-family  
672.29 partnership program. Funding available under  
672.30 this paragraph may only be used to  
672.31 supplement, not to replace, funds being used  
672.32 for nurse-family partnership home visiting  
672.33 services as of June 30, 2015.

672.34 **Opiate Antagonists.** \$270,000 in fiscal year  
672.35 2016 and \$20,000 in fiscal year 2017 are from

673.1 the general fund for grants to the eight regional  
673.2 emergency medical services programs to  
673.3 purchase opiate antagonists and educate and  
673.4 train emergency medical services persons, as  
673.5 defined in Minnesota Statutes, section  
673.6 144.7401, subdivision 4, clauses (1) and (2),  
673.7 in the use of these antagonists in the event of  
673.8 an opioid or heroin overdose. For the purposes  
673.9 of this paragraph, "opiate antagonist" means  
673.10 naloxone hydrochloride or any similarly acting  
673.11 drug approved by the federal Food and Drug  
673.12 Administration for the treatment of drug  
673.13 overdose. Grants under this paragraph must  
673.14 be distributed to all eight regional emergency  
673.15 medical services programs. This is a onetime  
673.16 appropriation and is available until June 30,  
673.17 2017. The commissioner may use up to  
673.18 \$20,000 of the amount for opiate antagonists  
673.19 for administration.

673.20 **Local and Tribal Public Health Grants. (a)**  
673.21 \$894,000 in fiscal year 2016 and \$894,000 in  
673.22 fiscal year 2017 are for an increase in local  
673.23 public health grants for community health  
673.24 boards under Minnesota Statutes, section  
673.25 145A.131, subdivision 1, paragraph (e).

673.26 (b) \$106,000 in fiscal year 2016 and \$106,000  
673.27 in fiscal year 2017 are for an increase in  
673.28 special grants to tribal governments under  
673.29 Minnesota Statutes, section 145A.14,  
673.30 subdivision 2a.

673.31 **HCBS Employee Scholarships.** \$1,000,000  
673.32 in fiscal year 2016 and \$1,000,000 in fiscal  
673.33 year 2017 are from the general fund for the  
673.34 home and community-based services  
673.35 employee scholarship program under



674.1 Minnesota Statutes, section 144.1503. The  
674.2 commissioner may use up to \$50,000 of the  
674.3 amount for the HCBS employee scholarships  
674.4 for administration.

674.5 **Family Planning Special Projects.**

674.6 \$1,000,000 in fiscal year 2016 and \$1,000,000  
674.7 in fiscal year 2017 are from the general fund  
674.8 for family planning special project grants  
674.9 under Minnesota Statutes, section 145.925.

674.10 **Positive Alternatives.** \$1,000,000 in fiscal  
674.11 year 2016 and \$1,000,000 in fiscal year 2017  
674.12 are from the general fund for positive abortion  
674.13 alternatives under Minnesota Statutes, section  
674.14 145.4235.

674.15 **Safe Harbor for Sexually Exploited Youth.**

674.16 \$700,000 in fiscal year 2016 and \$700,000 in  
674.17 fiscal year 2017 are from the general fund for  
674.18 the safe harbor program under Minnesota  
674.19 Statutes, sections 145.4716 to 145.4718. Funds  
674.20 shall be used for grants to increase the number  
674.21 of regional navigators; training for  
674.22 professionals who engage with exploited or  
674.23 at-risk youth; implementing statewide  
674.24 protocols and best practices for effectively  
674.25 identifying, interacting with, and referring  
674.26 sexually exploited youth to appropriate  
674.27 resources; and program operating costs.

674.28 **Health Care Grants for Uninsured**

674.29 **Individuals.** (a) \$62,500 in fiscal year 2016  
674.30 and \$62,500 in fiscal year 2017 are from the  
674.31 health care access fund for dental provider  
674.32 grants in Minnesota Statutes, section 145.929,  
674.33 subdivision 1.

675.1 (b) \$218,750 in fiscal year 2016 and \$218,750  
675.2 in fiscal year 2017 are from the health care  
675.3 access fund for community mental health  
675.4 program grants in Minnesota Statutes, section  
675.5 145.929, subdivision 2.

675.6 (c) \$750,000 in fiscal year 2016 and \$750,000  
675.7 in fiscal year 2017 are from the health care  
675.8 access fund for the emergency medical  
675.9 assistance outlier grant program in Minnesota  
675.10 Statutes, section 145.929, subdivision 3.

675.11 (d) \$218,750 of the health care access fund  
675.12 appropriation in fiscal year 2016 and \$218,750  
675.13 in fiscal year 2017 are for community health  
675.14 center grants under Minnesota Statutes, section  
675.15 145.9269. A community health center that  
675.16 receives a grant from this appropriation is not  
675.17 eligible for a grant under paragraph (b).

675.18 (e) The commissioner may use up to \$25,000  
675.19 of the appropriations for health care grants for  
675.20 uninsured individuals in fiscal years 2016 and  
675.21 2017 for grant administration.

675.22 **TANF Appropriations.** (a) \$1,156,000 of the  
675.23 TANF funds is appropriated each year of the  
675.24 biennium to the commissioner for family  
675.25 planning grants under Minnesota Statutes,  
675.26 section 145.925.

675.27 (b) \$3,579,000 of the TANF funds is  
675.28 appropriated each year of the biennium to the  
675.29 commissioner for home visiting and nutritional  
675.30 services listed under Minnesota Statutes,  
675.31 section 145.882, subdivision 7, clauses (6) and  
675.32 (7). Funds must be distributed to community  
675.33 health boards according to Minnesota Statutes,  
675.34 section 145A.131, subdivision 1.



676.1 (c) \$2,000,000 of the TANF funds is  
676.2 appropriated each year of the biennium to the  
676.3 commissioner for decreasing racial and ethnic  
676.4 disparities in infant mortality rates under  
676.5 Minnesota Statutes, section 145.928,  
676.6 subdivision 7.

676.7 (d) \$4,978,000 of the TANF funds is  
676.8 appropriated each year of the biennium to the  
676.9 commissioner for the family home visiting  
676.10 grant program according to Minnesota  
676.11 Statutes, section 145A.17. \$4,000,000 of the  
676.12 funding must be distributed to community  
676.13 health boards according to Minnesota Statutes,  
676.14 section 145A.131, subdivision 1. \$978,000 of  
676.15 the funding must be distributed to tribal  
676.16 governments as provided in Minnesota  
676.17 Statutes, section 145A.14, subdivision 2a.

676.18 (e) The commissioner may use up to 6.23  
676.19 percent of the funds appropriated each fiscal  
676.20 year to conduct the ongoing evaluations  
676.21 required under Minnesota Statutes, section  
676.22 145A.17, subdivision 7, and training and  
676.23 technical assistance as required under  
676.24 Minnesota Statutes, section 145A.17,  
676.25 subdivisions 4 and 5.

676.26 **TANF Carryforward.** Any unexpended  
676.27 balance of the TANF appropriation in the first  
676.28 year of the biennium does not cancel but is  
676.29 available for the second year.

676.30 **Health Professional Loan Forgiveness.**  
676.31 \$2,631,000 in fiscal year 2016 and \$2,631,000  
676.32 in fiscal year 2017 are from the health care  
676.33 access fund for the purposes of Minnesota  
676.34 Statutes, section 144.1501. Of this  
676.35 appropriation, the commissioner may use up

677.1 to \$131,000 each year to administer the  
677.2 program.

677.3 **Minnesota Stroke System.** \$350,000 in fiscal  
677.4 year 2016 and \$350,000 in fiscal year 2017  
677.5 are from the general fund for the Minnesota  
677.6 stroke system.

677.7 **Prevention of Violence in Health Care.**  
677.8 \$50,000 in fiscal year 2016 is to continue the  
677.9 prevention of violence in health care program  
677.10 and creating violence prevention resources for  
677.11 hospitals and other health care providers to  
677.12 use in training their staff on violence  
677.13 prevention. This is a onetime appropriation  
677.14 and is available until June 30, 2017.

677.15 **Health Care Savings Determinations. (a)**  
677.16 The health care access fund base for the state  
677.17 health improvement program is decreased by  
677.18 \$261,000 in fiscal year 2016 and decreased  
677.19 by \$110,000 in fiscal year 2017.

677.20 **(b)** \$261,000 in fiscal year 2016 and \$110,000  
677.21 in fiscal year 2017 are from the health care  
677.22 access fund for the forecasting, cost reporting,  
677.23 and analysis required by Minnesota Statutes,  
677.24 section 62U.10, subdivisions 6 and 7.

677.25 **Base Level Adjustments.** The general fund  
677.26 base is decreased by \$1,070,000 in fiscal year  
677.27 2018 and by \$1,020,000 in fiscal year 2019.  
677.28 The state government special revenue fund  
677.29 base is increased by \$33,000 in fiscal year  
677.30 2018. The health care access fund base is  
677.31 increased by \$610,000 in fiscal year 2018 and  
677.32 by \$23,000 in fiscal year 2019.



678.1 Sec. 13. Laws 2017, chapter 2, article 1, section 2, subdivision 3, is amended to read:

678.2 Subd. 3. **Payments to health carriers.** (a) The commissioner shall make payments to  
678.3 health carriers on behalf of eligible individuals effectuating coverage for calendar year 2017,  
678.4 for the months in that year for which the individual has paid the net premium amount to the  
678.5 health carrier. Payments to health carriers shall be based on the premium subsidy available  
678.6 to eligible individuals in the individual market, regardless of the cost of coverage purchased.  
678.7 The commissioner shall not withhold payments because a health carrier cannot prove an  
678.8 enrollee is an eligible individual.

678.9 (b) Health carriers seeking reimbursement from the commissioner must submit an invoice  
678.10 and supporting information to the commissioner, using a form developed by the  
678.11 commissioner, in order to be eligible for payment. The commissioner shall finalize the form  
678.12 by March 1, 2017.

678.13 (c) Total state payments to health carriers must be made within the limits of the available  
678.14 appropriation. The commissioner shall reimburse health carriers at the full requested amount  
678.15 up to the level of the appropriation. The commissioner, by July 15, 2017, shall determine  
678.16 whether the available appropriation will be sufficient to provide premium subsidies equal  
678.17 to 25 percent of the gross premium for the period September 1, 2017, through December  
678.18 31, 2017. If the commissioner determines that the available appropriation is not sufficient,  
678.19 the commissioner shall reduce the premium subsidy percentage, beginning September 1,  
678.20 2017, through the remainder of the calendar year, by an amount sufficient to ensure that the  
678.21 total amount of premium subsidies provided for the calendar year does not exceed the  
678.22 available appropriation. The commissioner shall notify health carriers of any reduced  
678.23 premium subsidy percentage within five days of making a determination. Health carriers  
678.24 shall provide enrollees with at least 30 days' notice of any reduction in the premium subsidy  
678.25 percentage.

678.26 (d) The commissioner shall consider health carriers as vendors under Minnesota Statutes,  
678.27 section 16A.124, subdivision 3, and each monthly invoice shall represent the completed  
678.28 delivery of the service.

678.29 (e) The commissioner, with the November 2017 forecast, shall certify the extent to which  
678.30 appropriations exceed forecast obligations under this subdivision. Notwithstanding Laws  
678.31 2017, chapter 2, article 1, section 7, the estimated value of available funds, up to \$98,779,000,  
678.32 shall be canceled to the general fund. The cancellation in this paragraph shall be reduced  
678.33 by any difference in medical assistance expenditures estimated in the trend calculation under  
678.34 section 15.

679.1     Sec. 14. IMPLEMENTATION OF CONTINGENT APPROPRIATIONS.

679.2     Notwithstanding Laws 2017, chapter 2, article 1, section 7, and upon certification of  
679.3 excess funds in accordance with Laws 2017, chapter 2, article 1, section 2, subdivision 3,  
679.4 up to \$1,388,000 in fiscal year 2018 and up to \$15,102,000 in fiscal year 2019 are  
679.5 appropriated to the commissioner of human services for central office operations in fiscal  
679.6 year 2019. This appropriation is onetime.

679.7     Sec. 15. TREND LIMIT; CALCULATION.

679.8     Beginning January 1, 2019, and ending June 30, 2021, the commissioner may limit the  
679.9 trend increase in rates paid to managed care plans and county-based purchasing plans under  
679.10 Minnesota Statutes, sections 256B.69 and 256B.692, by an amount equal to the value of a  
679.11 0.5 percent reduction in trend in medical assistance. Managed care rates must meet actuarial  
679.12 soundness and rate development requirements under Code of Federal Regulations, title 42,  
679.13 part 438, subpart A.

679.14     In the November 2017 forecast, the commissioner of human services, in consultation  
679.15 with the commissioner of management and budget, shall determine the extent to which the  
679.16 limits in managed care trend growth are forecasted to reduce medical assistance expenditures  
679.17 in fiscal years 2019 through 2021. Any reduction estimated shall reduce the cancellation in  
679.18 Laws 2017, chapter 2, article 1, section 2, subdivision 3, paragraph (e), by up to \$82,289,000.

679.19     Sec. 16. TRANSFERS.

679.20     Subdivision 1. Grants. The commissioner of human services, with the approval of the  
679.21 commissioner of management and budget, may transfer unencumbered appropriation balances  
679.22 for the biennium ending June 30, 2019, within fiscal years among the MFIP, general  
679.23 assistance, medical assistance, MinnesotaCare, MFIP child care assistance under Minnesota  
679.24 Statutes, section 119B.05, Minnesota supplemental aid, and group residential housing  
679.25 programs, the entitlement portion of Northstar Care for Children under Minnesota Statutes,  
679.26 chapter 256N, and the entitlement portion of the chemical dependency consolidated treatment  
679.27 fund, and between fiscal years of the biennium. The commissioner shall inform the chairs  
679.28 and ranking minority members of the senate Health and Human Services Finance and Policy  
679.29 Committee, the senate Human Services Reform Finance and Policy Committee, and the  
679.30 house of representatives Health and Human Services Finance Committee quarterly about  
679.31 transfers made under this subdivision.

679.32     Subd. 2. Administration. Positions, salary money, and nonsalary administrative money  
679.33 may be transferred within the Departments of Health and Human Services as the



680.1 commissioners consider necessary, with the advance approval of the commissioner of  
680.2 management and budget. The commissioner shall inform the chairs and ranking minority  
680.3 members of the senate Health and Human Services Finance and Policy Committee, the  
680.4 senate Human Services Reform Finance and Policy Committee, and the house of  
680.5 representatives Health and Human Services Finance Committee quarterly about transfers  
680.6 made under this subdivision.

680.7     Sec. 17. **INDIRECT COSTS NOT TO FUND PROGRAMS.**

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


680.10    Sec. 18. **EXPIRATION OF UNCODIFIED LANGUAGE.**

680.11    All uncodified language contained in this article expires on June 30, 2019, unless a  
680.12 different expiration date is explicit.

680.13    Sec. 19. **EFFECTIVE DATE.**

680.14    This article is effective July 1, 2017, unless a different effective date is specified.

This bill was passed in conformity to the rules of each house and the joint rules of the two houses  
as required by the Constitution of the State of Minnesota.

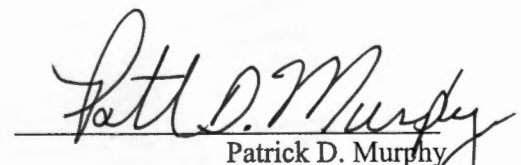
  
Michelle L. Fischbach  
President of the Senate

  
Kurt L. Daudt  
Speaker of the House of Representatives

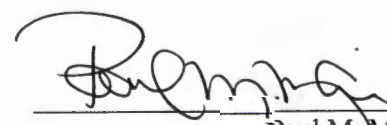
Passed the Senate on May 25, 2017.

  
Cal R. Ludeman  
Secretary of the Senate

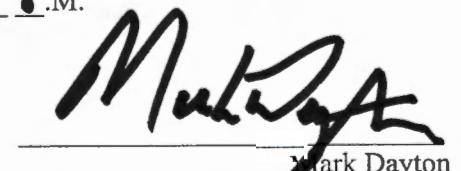
Passed the House of Representatives on May 25, 2017.

  
Patrick D. Murphy  
Chief Clerk, House of Representatives

This bill is properly enrolled and was presented to  
Governor on May 26, 2017.

  
Paul M. Marinac  
Revisor of Statutes

Approved on May 30, 2017, at 4:30 P.M.

  
Mark Dayton  
Governor

Filed on May 31, 2017.

  
Steve Simon  
Secretary of State