

## STATE OF MINNESOTA

## EIGHTY-FIFTH SESSION — 2007

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 FIFTY-SECOND DAY

SAINT PAUL, MINNESOTA, FRIDAY, APRIL 20, 2007

The House of Representatives convened at 9:00 a.m. and was called to order by Margaret Anderson Kelliher, Speaker of the House.

Prayer was offered by the Reverend T. Michael Rock, Robbinsdale United Church of Christ, Robbinsdale, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Abeler	Dettmer	Haws	Lenczewski	Norton	Simpson
Anderson, B.	Dill	Heidgerken	Lesch	Olin	Slawik
Anderson, S.	Dittrich	Hilstrom	Liebling	Olson	Slocum
Anzelc	Dominguez	Hilty	Lieder	Otremba	Smith
Atkins	Doty	Holberg	Lillie	Paulsen	Solberg
Beard	Eastlund	Hoppe	Loeffler	Paymar	Sviggum
Benson	Eken	Hornstein	Madore	Pelowski	Swails
Berns	Emmer	Hortman	Magnus	Peppin	Thao
Bigham	Erhardt	Hosch	Mahoney	Peterson, A.	Thissen
Bly	Erickson	Howes	Mariani	Peterson, N.	Tillberry
Brod	Faust	Huntley	Marquart	Peterson, S.	Tingelstad
Brown	Finstad	Jaros	Masin	Poppe	Tschumper
Brynaert	Fritz	Johnson	McFarlane	Rukavina	Urdahl
Buesgens	Gardner	Juhnke	McNamara	Ruth	Wagenius
Bunn	Garofalo	Kahn	Moe	Ruud	Walker
Carlson	Gottwalt	Kalin	Morgan	Sailer	Ward
Clark	Greiling	Knuth	Morrow	Scalze	Welti
Cornish	Gunther	Koenen	Mullery	Seifert	Westrom
Davnie	Hackbarth	Kohls	Murphy, E.	Sertich	Winkler
Dean	Hamilton	Kranz	Murphy, M.	Severson	Wollschlager
DeLaForest	Hansen	Laine	Nelson	Shimanski	Zellers
Demmer	Hausman	Lanning	Nornes	Simon	Spk. Kelliher

A quorum was present.

Ozment and Wardlow were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Koenen moved that further reading of the Journal be suspended and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

Sertich moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

**INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Peterson, A., introduced:

H. F. No. 2444, A bill for an act relating to capital improvements; authorizing the issuance of state bonds; appropriating money to pave Pacific Avenue in the city of Benson.

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

Davnie introduced:

H. F. No. 2445, A bill for an act relating to tax increment financing; expanding the permitted use of increments for districts in bioscience zones; amending Minnesota Statutes 2006, section 469.1763, subdivision 2.

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

Howes introduced:

H. F. No. 2446, A bill for an act relating to sales and use tax; exempting construction materials for a wastewater treatment facility in the city of Emily; amending Minnesota Statutes 2006, section 297A.71, by adding a subdivision.

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

**MESSAGES FROM THE SENATE**

The following messages were received from the Senate:

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 829, A bill for an act relating to state government; appropriating money for public safety and corrections initiatives, courts, public defenders, tax court, Uniform Laws Commission and Board on Judicial Standards; providing certain general criminal and sentencing provisions; regulating DWI and driving provisions; modifying or establishing various provisions relating to public safety; providing for residency documentation; regulating corrections, the courts, and emergency communications; regulating scrap metal dealers; modifying certain law enforcement, insurance, human services, and public defense provisions; providing immunity from certain civil liability; establishing reduced ignition propensity standards for cigarettes; providing conditional repeals of certain laws; providing penalties; amending Minnesota Statutes 2006, sections 2.722, subdivision 1; 3.732, subdivision 1; 3.736, subdivision 1; 13.87, subdivision 1; 15A.083, subdivision 4; 16A.72; 16B.181, subdivision 2; 16C.23, subdivision 2; 168.012, subdivision 1; 169.13, by adding a subdivision; 169.471, subdivision 2; 169A.275, by adding a subdivision; 169A.51, subdivision 7; 171.09, subdivision 1; 171.12, by adding a subdivision; 171.55; 241.016, subdivision 1; 241.018; 241.27, subdivisions 1, 2, 3, 4; 241.278; 241.69, subdivisions 3, 4; 243.167, subdivision 1; 243.55, subdivision 1; 244.05, by adding a subdivision; 245.041; 253B.09, subdivision 3a; 260B.007, by adding a subdivision; 260B.125, subdivision 1; 260B.130, subdivision 1; 260B.141, subdivision 4; 260B.198, subdivision 6; 260C.193, subdivision 6; 270A.03, subdivision 5; 299A.641, subdivision 2; 299C.65, subdivisions 2, 5; 302A.781, by adding a subdivision; 325E.21; 352D.02, subdivision 1; 363A.06, subdivision 1; 383A.08, subdivisions 6, 7; 401.15, subdivision 1; 403.07, subdivision 4; 403.11, subdivision 1, by adding subdivisions; 403.31, subdivision 1; 484.54, subdivision 2; 484.83; 504B.361, subdivision 1; 518.165, subdivisions 1, 2; 518A.35, subdivision 3; 518B.01, subdivisions 6a, 22; 548.091, subdivision 1a; 549.09, subdivision 1; 563.01, by adding a subdivision; 590.05; 595.02, subdivision 1; 609.02, subdivision 16; 609.055; 609.135, subdivision 8, by adding a subdivision; 609.15, subdivision 1; 609.21, subdivisions 1, 4a, 5, by adding subdivisions; 609.221, subdivision 2; 609.2232; 609.341, subdivision 11; 609.344, subdivision 1; 609.345, subdivision 1; 609.3451, subdivision 3; 609.3455, subdivision 4, by adding a subdivision; 609.352; 609.505, subdivision 2; 609.581, by adding subdivisions; 609.582, subdivision 2; 609.595, subdivisions 1, 2; 609.748, subdivisions 1, 5; 609.75, subdivision 8, by adding subdivisions; 611.14; 611.20, subdivision 6; 611.215, subdivisions 1, 1a; 611.23; 611.24; 611.25, subdivision 1; 611.26, subdivisions 2, 7; 611.27, subdivisions 3, 13, 15; 611.35; 611A.036, subdivisions 2, 7; 611A.675, subdivisions 1, 2, 3, 4, by adding a subdivision; 626.5572, subdivision 21; 634.15, subdivisions 1, 2; 641.05; 641.15, by adding a subdivision; 641.265, subdivision 2; Laws 2001, First Special Session chapter 8, article 4, section 4; Laws 2003, First Special Session chapter 2, article 1, section 2; proposing coding for new law in Minnesota Statutes, chapters 72A; 171; 241; 299A; 299F; 357; 484; 504B; 540; 604; 609; 611A; repealing Minnesota Statutes 2006, sections 169.796, subdivision 3; 241.021, subdivision 5; 241.85, subdivision 2; 260B.173; 403.31, subdivision 6; 480.175, subdivision 3; 609.21, subdivisions 2, 2a, 2b, 3, 4; 609.805; 611.20, subdivision 5; Laws 2005, First Special Session chapter 6, article 3, section 91.

The Senate has appointed as such committee:

Senators Higgins; Foley; Olson, M.; Neuville and Rosen.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 2227, A bill for an act relating to appropriations; appropriating money for agriculture and veterans affairs; modifying disposition of certain revenue and funds; modifying certain grant and loan requirements; modifying use of Minnesota grown label; modifying and creating certain funds and accounts; eliminating the aquatic

pest control license; modifying permit and safeguard requirements; modifying and establishing certain fees and surcharges; creating a food safety and defense task force; requiring certain studies and reports; providing for NextGen energy; changing certain provisions related to veterans and members of the national guard and reserves; amending Minnesota Statutes 2006, sections 3.737, subdivision 1; 3.7371, subdivision 3; 17.03, subdivision 3; 17.101, subdivision 2; 17.102, subdivisions 1, 3, 4, by adding subdivisions; 17.117, subdivisions 1, 4, 5a, 5b, 11; 17.983, subdivision 1; 17B.03, by adding a subdivision; 18B.065, subdivisions 1, 2a; 18B.26, subdivision 3; 18B.33, subdivision 1; 18B.34, subdivision 1; 18B.345; 18C.305, by adding a subdivision; 18E.02, subdivision 5, by adding a subdivision; 18E.03, subdivision 4; 25.341, subdivision 1; 28A.04, subdivision 1; 28A.06; 28A.082, subdivision 1; 32.21, subdivision 4; 32.212; 32.394, subdivision 4; 32.415; 41B.03, subdivision 1; 41B.043, subdivisions 2, 3, 4; 41B.046, subdivision 4; 41B.047; 41B.055; 41B.06; 41C.05, subdivision 2; 116.0714; 156.001, by adding subdivisions; 156.12, subdivision 1; 197.75; 198.002, subdivision 2; 198.004, subdivision 1; 239.7911, subdivision 1; 327.201; 343.10; proposing coding for new law in Minnesota Statutes, chapters 18C; 28A; 35; 41A; 192; 197; repealing Minnesota Statutes 2006, sections 17.109; 18B.315; 18C.425, subdivision 5; 32.213; 35.08; 35.09; 35.10; 35.11; 35.12; 41B.043, subdivision 1a; 156.075; Laws 2006, chapter 258, section 14, subdivision 6; Minnesota Rules, parts 1705.0840; 1705.0850; 1705.0860; 1705.0870; 1705.0880; 1705.0890; 1705.0900; 1705.0910; 1705.0920; 1705.0930; 1705.0940; 1705.0950; 1705.0960; 1705.0970; 1705.0980; 1705.0990; 1705.1000; 1705.1010; 1705.1020; 1705.1030; 1705.1040; 1705.1050; 1705.1060; 1705.1070; 1705.1080; 1705.1086; 1705.1087; 1705.1088.

The Senate has appointed as such committee:

Senators Vickerman, Kubly, Erickson Ropes, Skogen and Dille.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2096, A bill for an act relating to state government; appropriating money for environmental, natural resources, and energy purposes; establishing and modifying certain programs; modifying rulemaking authority; providing for accounts, assessments, and fees; amending Minnesota Statutes 2006, sections 84.025, subdivision 9; 84.026, subdivision 1; 84.027, by adding a subdivision; 84.0855, subdivisions 1, 2; 84.780; 84.922, subdivisions 1a, 5; 84.927, subdivision 2; 84D.03, subdivision 1; 84D.12, subdivisions 1, 3; 84D.13, subdivision 7; 85.32, subdivision 1; 86B.415, subdivisions 1, 2, 3, 4, 5, 7; 86B.706, subdivision 2; 89A.11; 93.0015, subdivision 3; 97A.045, by adding a subdivision; 97A.055, subdivision 4; 97A.065, by adding a subdivision; 97A.405, subdivision 2; 97A.411, subdivision 1; 97A.451, subdivision 3a; 97A.465, by adding subdivisions; 97A.473, subdivisions 3, 5; 97A.475, subdivisions 3, 7, 11, 12, by adding a subdivision; 97B.601, subdivision 3; 97B.715, subdivision 1; 97B.801; 97C.081, subdivision 3; 97C.355, subdivision 2; 116C.779, subdivision 1; 216B.812, subdivisions 1, 2; 216C.051, subdivision 9; Laws 2003, chapter 128, article 1, section 169; proposing coding for new law in Minnesota Statutes, chapters 84; 84D; 89; 103F; 144; 216B; 216C; 325E; repealing Minnesota Statutes 2006, section 93.2236.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Anderson, Frederickson, Saxhaug, Chaudhary and Torres Ray.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Wagenius moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2096. The motion prevailed.

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 1989, A bill for an act relating to higher education; appropriating money for higher education and related purposes to the Minnesota Office of Higher Education, the Board of Trustees of the Minnesota State Colleges and Universities, the board of Regents of the University of Minnesota, and the Mayo Clinic, with certain conditions; requiring certain studies; making technical changes; eliminating certain report requirements; permitting certain interest rate savings and other agreements; requiring summary statistics in required reports; repealing certain data sharing and collecting requirements; modifying financial aid programs; establishing the Minnesota GI bill program; regulating private higher education institutions; providing penalties; amending Minnesota Statutes 2006, sections 13.322, subdivision 3; 135A.01; 135A.031, subdivisions 1, 7; 135A.034, subdivision 1; 135A.14, subdivision 1; 135A.52, subdivisions 1, 2; 136A.01, subdivision 2; 136A.031, subdivision 5; 136A.0411; 136A.08, subdivision 7; 136A.101, subdivisions 4, 5a; 136A.121, subdivisions 6, 7a, by adding a subdivision; 136A.125, subdivisions 2, 4; 136A.15, subdivisions 1, 6; 136A.16, subdivisions 1, 2, 5, 8, 9, 10, by adding a subdivision; 136A.17, subdivision 1; 136A.1701, subdivisions 1, 2, 5; 136A.233, subdivision 3; 136A.29, subdivision 9; 136A.62, subdivision 3; 136A.63; 136A.65, subdivision 1, by adding a subdivision; 136A.653; 136A.657, subdivisions 1, 2, 3, by adding a subdivision; 136A.66; 136A.67; 136A.68; 136A.69; 136A.71; 136A.861, subdivisions 1, 2, 3, 6; 136F.02, subdivisions 1, 2; 136F.03, subdivision 3; 136F.42, subdivision 1; 136F.58; 136F.70, by adding a subdivision; 136F.71, subdivision 2, by adding a subdivision; 136G.11, subdivision 5; 137.0245, subdivision 4; 137.0246, subdivision 2; 141.21, subdivisions 1a, 5; 141.25, subdivisions 1, 5, 7, 9, 10, 12; 141.255, subdivision 2; 141.265, subdivision 2; 141.271, subdivisions 10, 12; 141.28, subdivision 1; 141.32; 141.35; 197.775, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; 141; 197; repealing Minnesota Statutes 2006, sections 135A.031, subdivisions 2, 3, 5, 6; 135A.032; 135A.033; 135A.045; 135A.053; 136A.07; 136A.08, subdivision 8; 136A.1702; 136A.61; Laws 2001, First Special Session chapter 1, article 1, sections 3, subdivision 3; 4, subdivision 5.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Pappas, Sheran, Latz, Robling and Michel.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Rukavina moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1989. The motion prevailed.

## FISCAL CALENDAR

Pursuant to rule 1.22, Solberg requested immediate consideration of S. F. No. 2171.

S. F. No. 2171 was reported to the House.

Buesgens moved that S. F. No. 2171, the third unofficial engrossment, be re-referred to the Committee on Finance.

A roll call was requested and properly seconded.

### CALL OF THE HOUSE

On the motion of Emmer and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abeler	Dettmer	Haws	Liebling	Olson	Slawik
Anderson, B.	Dill	Heidgerken	Lieder	Otremba	Slocum
Anderson, S.	Dittrich	Hilstrom	Lillie	Paulsen	Smith
Anzelc	Dominguez	Holberg	Loeffler	Paymar	Solberg
Atkins	Doty	Hoppe	Madore	Pelowski	Sviggum
Beard	Eastlund	Hornstein	Magnus	Peppin	Swails
Benson	Eken	Hortman	Mahoney	Peterson, A.	Thao
Berns	Emmer	Hosch	Mariani	Peterson, N.	Thissen
Bigham	Erhardt	Howes	Marquart	Peterson, S.	Tillberry
Bly	Erickson	Huntley	Masin	Poppe	Tingelstad
Brod	Faust	Jaros	McFarlane	Rukavina	Tschumper
Brown	Finstad	Johnson	McNamara	Ruth	Urdahl
Brynaert	Fritz	Kahn	Moe	Ruud	Walker
Buesgens	Gardner	Kalin	Morgan	Sailer	Ward
Bunn	Garofalo	Knuth	Morrow	Scalze	Welti
Clark	Gottwalt	Koenen	Mullery	Seifert	Westrom
Cornish	Greiling	Kohls	Murphy, E.	Sertich	Winkler
Davnie	Hackbarth	Kranz	Nelson	Severson	Wollschlager
Dean	Hamilton	Laine	Nornes	Shimanski	Zellers
DeLaForest	Hansen	Lanning	Norton	Simon	Spk. Kelliher
Demmer	Hausman	Lenczewski	Olin	Simpson	

Sertich moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

The question recurred on the Buesgens motion and the roll was called. There were 46 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	DeLaForest	Garofalo	Howes	Paulsen	Smith
Anderson, S.	Demmer	Gottwalt	Kohls	Peppin	Sviggum
Beard	Dettmer	Gunther	Lanning	Peterson, N.	Tingelstad
Berns	Eastlund	Hackbarth	Magnus	Ruth	Urdahl
Brod	Emmer	Hamilton	McFarlane	Seifert	Westrom
Buesgens	Erhardt	Heidgerken	McNamara	Severson	Zellers
Cornish	Erickson	Holberg	Nornes	Shimanski	
Dean	Finstad	Hoppe	Olson	Simpson	

Those who voted in the negative were:

Abeler	Doty	Jaros	Madore	Paymar	Thao
Anzelc	Eken	Johnson	Mahoney	Pelowski	Thissen
Atkins	Faust	Juhnke	Mariani	Peterson, A.	Tillberry
Benson	Fritz	Kahn	Marquart	Peterson, S.	Tschumper
Bigham	Gardner	Kalin	Masin	Poppe	Wagenius
Bly	Greiling	Knuth	Moe	Rukavina	Walker
Brown	Hansen	Koenen	Morgan	Ruud	Ward
Brynaert	Hausman	Kranz	Morrow	Sailer	Walti
Bunn	Haws	Laine	Mullery	Scalze	Winkler
Carlson	Hilstrom	Lenczewski	Murphy, E.	Sertich	Wollschlager
Clark	Hilty	Lesch	Murphy, M.	Simon	Spk. Kelliher
Davnie	Hornstein	Liebling	Nelson	Slawik	
Dill	Hortman	Lieder	Norton	Slocum	
Dittrich	Hosch	Lillie	Olin	Solberg	
Dominguez	Huntley	Loeffler	Otremba	Swails	

The motion did not prevail.

#### CALL OF THE HOUSE LIFTED

Emmer moved that the call of the House be lifted. The motion prevailed and it was so ordered.

Huntley, Clark and Slawik moved to amend S. F. No. 2171, the third unofficial engrossment, as follows:

Page 140, after line 25, insert:

"Sec. 25. **ANNUAL LICENSE REVIEW.**

The commissioner of human services shall work with counties to determine the cost and propose an ongoing funding allocation from the general fund to cover the cost to counties to implement an annual license review for licensed family child care providers. The commissioner shall solicit input from counties to determine the outcome. The commissioner shall report to the house and senate committees having jurisdiction over early childhood programs by January 15, 2008, as to the costs and the funding allocation recommended for future use.

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

Page 187, after line 9, insert:

"Sec. 23. Minnesota Statutes 2006, section 256B.059, subdivision 5, is amended to read:

Subd. 5. **Asset availability.** (a) At the time of initial determination of eligibility for medical assistance benefits following the first continuous period of institutionalization on or after October 1, 1989, assets considered available to the institutionalized spouse shall be the total value of all assets in which either spouse has an ownership interest, reduced by the following amount for the community spouse:

(1) prior to July 1, 1994, the greater of:

(i) \$14,148;

(ii) the lesser of the spousal share or \$70,740; or

(iii) the amount required by court order to be paid to the community spouse;

(2) for persons whose date of initial determination of eligibility for medical assistance following their first continuous period of institutionalization occurs on or after July 1, 1994, the greater of:

(i) \$20,000;

(ii) the lesser of the spousal share or \$70,740; or

(iii) the amount required by court order to be paid to the community spouse.

The value of assets transferred for the sole benefit of the community spouse under section 256B.0595, subdivision 4, in combination with other assets available to the community spouse under this section, cannot exceed the limit for the community spouse asset allowance determined under subdivision 3 or 4. Assets that exceed this allowance shall be considered available to the institutionalized spouse, as provided by federal law, whether or not converted to income. If the community spouse asset allowance has been increased under subdivision 4, then the assets considered available to the institutionalized spouse under this subdivision shall be further reduced by the value of additional amounts allowed under subdivision 4.

(b) An institutionalized spouse may be found eligible for medical assistance even though assets in excess of the allowable amount are found to be available under paragraph (a) if the assets are owned jointly or individually by the community spouse, and the institutionalized spouse cannot use those assets to pay for the cost of care without the consent of the community spouse, and if: (i) the institutionalized spouse assigns to the commissioner the right to support from the community spouse under section 256B.14, subdivision 3; (ii) the institutionalized spouse lacks the ability to execute an assignment due to a physical or mental impairment; or (iii) the denial of eligibility would cause an imminent threat to the institutionalized spouse's health and well-being.

(c) After the month in which the institutionalized spouse is determined eligible for medical assistance, during the continuous period of institutionalization, no assets of the community spouse are considered available to the institutionalized spouse, unless the institutionalized spouse has been found eligible under paragraph (b).

(d) Assets determined to be available to the institutionalized spouse under this section must be used for the health care or personal needs of the institutionalized spouse.

(e) For purposes of this section, assets do not include assets excluded under the supplemental security income program."

Page 428, line 25, after "occupational" insert "and residential"

Page 438, line 20, delete "coordinator" and insert "coordinators"

Page 439, line 4, delete "Newborn and infant hearing screening" and insert "Early hearing detection and intervention"

Page 439, line 5, delete "Universal Newborn Hearing and Infant Screening (UNHS)" and insert "Early Hearing Detection and Intervention (EHDI)"

Page 439, line 6, delete "UNHS" and insert "EHDI"



Page 439, line 8, after "parents" insert "or parent"

Page 440, line 5, delete "UNHS" and insert "EHDI"

Page 440, line 12, delete "Laboratory service" and delete "laboratory"

Page 440, line 13, delete "service fees" and insert "a fee"

Page 442, line 14, after "of" insert "aggregate"

Page 442, line 20, after the comma, insert "and"

Page 442, line 21, before the semicolon, insert "and addressing issues having to do with compatibility with the Centers for Disease Control and Prevention's National Environmental Public Health Tracking Program"

Page 442, line 23, delete "prevalence" and insert "population-based measures"

Page 442, line 24, delete "and incidence"

Page 442, line 32, delete "level of correlation with" and insert "feasibility of integrating"

Page 444, line 1, after "panel" insert "and after the program guidelines in subdivision 4 are developed"

Page 444, line 18, delete "program" and insert "commissioner"

Page 444, delete lines 19 to 24 and insert:

"(1) work with the advisory panel to assess the usefulness of continuing biomonitoring among members of communities assessed during the pilot program and to identify other communities and other designated chemicals to be assessed via biomonitoring;

(2) work with the advisory panel to assess the pilot program, including but not limited to, the validity and accuracy of the analytical measurements and adequacy of the guidelines and protocols;

(3) communicate the results of the pilot program to the public; and

(4) after consideration of the findings and recommendations in clauses (1) and (2), and within the appropriations available, develop and implement a base program."

Page 445, line 9, delete everything after the period and insert "The commissioner and the advisory panel shall be guided by protocols and guidelines developed by the Centers for Disease Control and Prevention and the National Biomonitoring Program;"

Page 445, delete lines 10 and 11

Page 449, line 23, delete "plastics research" and insert "engineering and material science"

Page 462, line 22, delete "five" and insert "ten"

Page 513, line 30, after the period, insert "This funding is in addition to the family planning grants base funding."

Page 519, delete lines 22 to 27

Page 524, line 27, after the comma, insert "and for"

Page 524, line 29, after "the" insert "Minnesota Cancer Surveillance"

Adjust the totals accordingly

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Hilstrom, Huntley, Dean, Brod and Greiling moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 146, after line 21, insert:

"Sec. 6. Minnesota Statutes 2006, section 256B.055, subdivision 14, is amended to read:

Subd. 14. **Persons detained by law.** (a) Medical assistance may be paid for an inmate of a correctional facility who is conditionally released as authorized under section 241.26, 244.065, or 631.425, if the individual does not require the security of a public detention facility and is housed in a halfway house or community correction center, or under house arrest and monitored by electronic surveillance in a residence approved by the commissioner of corrections, and if the individual meets the other eligibility requirements of this chapter.

(b) An individual who is enrolled in medical assistance, and who is charged with a crime and incarcerated in a local jail, workhouse, or juvenile correctional facility for less than 12 months shall be suspended from eligibility at the time of incarceration until the individual is released. Upon release, medical assistance eligibility is reinstated without reapplication, if the individual is otherwise eligible.

(c) An individual, regardless of age, who is considered an inmate of a public institution as defined in Code of Federal Regulations, title 42, section 435.1009, is not eligible for medical assistance."

Renumber the sections in sequence and correct the internal references

Adjust amounts accordingly

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Abeler and Huntley moved to amend S. F. No. 2171 the third unofficial engrossment, as amended, as follows:

Page 396, after line 12, insert:

"Sec. 6. **[62J.431] EVIDENCE-BASED HEALTH CARE GUIDELINES.**

Evidence-based guidelines must meet the following criteria:

- (1) the scope and application are clear;
- (2) authorship is stated and any conflicts of interest disclosed;
- (3) authors represent all pertinent clinical fields or other means of input have been used;
- (4) the development process is explicitly stated;
- (5) the guideline is grounded in evidence;
- (6) the evidence is cited and graded;
- (7) the document itself is clear and practical;
- (8) the document is flexible in use, with exceptions noted or provided for with general statements;
- (9) measures are included for use in systems improvement; and
- (10) the guideline has scheduled reviews and updating."

Page 400, after line 23, insert:

"Sec. 9. Minnesota Statutes 2006, section 62J.60, is amended by adding a subdivision to read:

Subd. 3a. **Required statement.** An identification card issued to an enrollee by a health plan company or other entity governed by Minnesota health coverage laws must contain the following statement: "Subject to Minnesota law."

Page 410, after line 25, insert:

"Sec. 19. **[62Q.101] EVALUATION OF PROVIDER PERFORMANCE.**

Subdivision 1. **Performance targets; reasonable basis and disclosure required.** A health plan company, or a vendor of risk management services as defined under section 60A.23, subdivision 8, shall, in evaluating the performance of a health care provider:

- (1) conduct the evaluation using a bona fide baseline based upon practice experience of the provider group; and
- (2) disclose the baseline to the health care provider in writing and prior to the beginning of the time period used for the evaluation."

Page 414, after line 35, insert:

"Sec. 27. **[145.985] HEALTH PROMOTION AND WELLNESS.**

Community health boards as defined in section 145A.02, subdivision 5, may work with schools, health care providers, and others to coordinate health and wellness programs in their communities. In order to meet the requirements of this section, community health boards may:

(1) provide instruction, technical assistance, and recommendations on how to evaluate project outcomes;

(2) assist with on-site health and wellness programs utilizing volunteers and others addressing health and wellness topics including smoking, nutrition, obesity, and others; and

(3) encourage health and wellness programs consistent with the Centers for Disease Control and Prevention's Community Guide and goals consistent with the Centers for Disease Control and Prevention's Healthy People 2010 initiative."

Adjust amounts accordingly

Renumber or reletter in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Abeler, Huntley, Mahoney and Clark moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 324, line 28, reinstate the stricken "or"

Page 324, line 29, delete "; or"

Page 324, line 30, delete the new language

Page 325, line 8, delete "(a)"

Page 325, delete lines 19 to 34

Page 371, line 29, delete "and"

Page 371, line 30, delete the period and insert a semicolon

Page 371, after line 30, insert:

"(9) a representative from the Minnesota Association of Sober Homes; and

(10) a representative from the Association of Halfway House Alcoholism Programs of North America."

Page 371, line 33, after the period, insert "The work group shall also study and include recommendations for minimum housing standards, client rights, and ways to ensure transition to safe housing for vulnerable evicted tenants."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Murphy, E.; Abeler and Huntley moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 169, line 25, after "commissioner" insert "of human services"

Page 169, line 30, after the period, insert "The commissioner of human services shall seek federal matching funds to further increase the dispensing fee to cover the cost of dispensing, up to a maximum dispensing fee of \$12.92."

Page 169, after line 33, insert:

"Sec. 32. **PHARMACY STUDIES.**

Subdivision 1. **Fiscal impact of deficit reduction act.** The commissioner of human services shall report to the legislature by January 1, 2008, on the fiscal impact of Deficit Reduction Act reforms on the Minnesota Medicaid pharmacy program, including but not limited to:

(1) overall cost reductions to the Minnesota Medicaid pharmacy program as a result of the Deficit Reduction Act of 2005;

(2) the impact of reforms on the federal upper limit on pharmacy reimbursement, and the amount that the dispensing fee for multiple-source generic drugs would have to be adjusted to offset any reductions resulting from federal upper limits implemented as a result of the Deficit Reduction Act of 2005;

(3) the cost of reduced federal rebates received from pharmaceutical manufacturers as a result of Deficit Reduction Act reforms, and strategies that could be employed in administering the Medicaid drug formulary to compensate for lost manufacturer rebates; and

(4) a detailed comparison of the federal upper limits and state maximum allowable cost (MAC) prices prior to and following implementation of the Deficit Reduction Act reforms.

Subd. 2. **Pharmacy payment reform advisory committee.** (a) The Pharmacy Payment Reform Advisory Committee established under Laws of Minnesota 2006, chapter 282, article 16, section 15, shall present findings and recommendations to the commissioner of human services on:

(1) whether pharmacy reimbursement for multiple-source generic prescriptions following implementation of Deficit Reduction Act reforms allows for payment sufficient to cover the actual pharmacy costs for acquiring the drug product and dispensing the prescription;

(2) the impact of the reforms on pharmacies with more than ten percent of annual prescription volume from Medicaid, and on pharmacies in rural areas or areas with a significant Medicaid population;

(3) the impact of changes in pharmacy reimbursement for multiple-source drugs on patient access to pharmacy services; and

(4) the impact of changes in pharmacy reimbursement for multiple-source drugs on generic dispensing rates.

(b) The Pharmacy Payment Reform Advisory Committee shall also review the current method of reimbursement for single-source drugs, and present recommendations to the commissioner of human services on the creation of a transparent reimbursement model for single-source drugs that would adequately reimburse pharmacies for drug product costs and pharmacy dispensing services.

(c) The commissioner of human services shall present the advisory committee's findings and recommendations on the topics specified in paragraphs (a) and (b) to the legislature by January 1, 2008.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Clark, Hilstrom and Smith moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 464, line 23, before the colon, insert "and section 325E.387, subdivision 2"

Page 465, line 3, delete "or"

Page 465, line 4, delete the period and insert "; or"

Page 465, after line 4, insert:

"(7) the manufacture, sale, repair, distribution, maintenance, refurbishment, or modification of telecommunications equipment containing polybrominated diphenyl ethers used by entities eligible to hold authorization in the Public Safety Pool under Code of Federal Regulations, title 47, part 90."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

## ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 6:

Greiling, Mariani, Slawik, Fritz and Heidgerken.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2096:

Wagenius, Hilty, Hansen, Dill and Ozment.

**FISCAL CALENDAR, Continued**

Rukavina, Clark, Seifert and Emmer moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 332, after line 6, insert:

"Sec. 7. Minnesota Statutes 2006, section 151.19, subdivision 2, is amended to read:

Subd. 2. **Nonresident pharmacies.** The board shall require and provide for an annual nonresident special pharmacy registration for all pharmacies located outside of this state that regularly dispense medications for Minnesota residents and mail, ship, or deliver prescription medications into this state. Nonresident special pharmacy registration shall be granted by the board upon the disclosure and certification by a pharmacy:

(1) that it is licensed in the state in which the dispensing facility is located and from which the drugs are dispensed;

(2) the location, names, and titles of all principal corporate officers and all pharmacists who are dispensing drugs to residents of this state;

(3) that it complies with all lawful directions and requests for information from the Board of Pharmacy of all states in which it is licensed or registered, except that it shall respond directly to all communications from the board concerning emergency circumstances arising from the dispensing of drugs to residents of this state;

(4) that it maintains its records of drugs dispensed to residents of this state so that the records are readily retrievable from the records of other drugs dispensed;

(5) that it cooperates with the board in providing information to the Board of Pharmacy of the state in which it is licensed concerning matters related to the dispensing of drugs to residents of this state; ~~and~~

(6) that during its regular hours of operation, but not less than six days per week, for a minimum of 40 hours per week, a toll-free telephone service is provided to facilitate communication between patients in this state and a pharmacist at the pharmacy who has access to the patients' records; the toll-free number must be disclosed on the label affixed to each container of drugs dispensed to residents of this state; ~~and~~

(7) that, upon request of a resident of a long-term care facility located within the state of Minnesota or by an agent of the resident, the pharmacy will dispense medications prescribed for the resident in unit-dose packaging or, alternatively, comply with the provisions of section 151.415, subdivision 5."

Page 333, after line 11, insert:

"Sec. 9. **[151.415] LONG-TERM CARE RESIDENT ACCESS TO PHARMACEUTICALS ACT.**

Subdivision 1. **Title; citation.** This section may be cited as the "Long-Term Care Resident Access to Pharmaceuticals Act."

Subd. 2. **Definitions.** For the purposes of this section, the following terms have the meanings given them unless otherwise provided by text:

(a) "Board" means the Board of Pharmacy.

(b) "Contract pharmacy" means a pharmacy, licensed under this chapter, which is under contract to a long-term care facility.

(c) "Long-term care facility" has the meaning given in section 256.9741, subdivision 1.

(d) "Original dispensing pharmacy" shall mean a pharmacy, licensed in any state in the United States, which dispenses drugs in bulk prescription containers to a person who is a resident in a long-term care facility.

Subd. 3. **Authorization to administer and repackage drugs.** (a) A contract pharmacist or pharmacy may repackage a resident's prescription drugs, which have been lawfully dispensed from bulk prescription containers by an original dispensing pharmacy, into a unit-dose system compatible with the system used by the long-term care facility.

(b) A long-term care facility may administer drugs to residents of the facility that have been repackaged according to this subdivision.

(c) Drugs may be dispensed for and administered to a resident of a long-term care facility according to this subdivision, provided that:

(1) the drug is dispensed by the original dispensing pharmacy according to a current, valid prescription;

(2) the original bulk prescription container for the resident is delivered by the original dispensing pharmacy directly to the contract pharmacist or pharmacy;

(3) the contract pharmacist or pharmacy verifies the name and strength of the drug, the name of the manufacturer of the drug, the manufacturer's lot or control number, the manufacturer's expiration date for the drug, and the date the drug was dispensed by the original dispensing pharmacy;

(4) the contract pharmacist or pharmacy verifies the validity and accuracy of the current prescription order;

(5) the contract pharmacist or pharmacy repackages the drug in board-approved unit-dose packaging, with labeling that complies with Minnesota Rules, part 6800.6300, and that identifies that the drug has been repackaged according to this section;



(6) the resident for whom the medication is repackaged obtains medications from or receives medications at a discounted rate from the original dispensing pharmacy under the resident's state or federal health assistance program or a private health insurance plan; and

(7) the resident for whom the medication is to be repackaged, or the resident's authorized representative, has signed an informed consent form provided by the facility which includes an explanation of the repackaging process and which notifies the resident of the immunities from liability provided in this section.

**Subd. 4. Maintenance of records.** For each drug repackaged by a contract pharmacy under this section, the contract pharmacy shall maintain a record for at least two years of the following information:

(1) the name, manufacturer, manufacturer's lot number, manufacturer's expiration date, and quantity of the drug prescribed;

(2) the name and address of the resident for whom the drug was repackaged;

(3) the name and address or other identifier of the prescriber;

(4) the date the prescription was issued and the date the drug was repackaged;

(5) the date the repackaged drug was delivered to the long-term care facility;

(6) the directions for use;

(7) a copy of the label that was affixed to the repackaged drug;

(8) the initials of the packager;

(9) the initials of the supervising pharmacist; and

(10) the name and business address of the original dispensing pharmacy.

**Subd. 5. Duties of the original dispensing pharmacy.** Upon request of the resident, the resident's authorized representative, or a contract pharmacy or licensed health care facility acting on behalf of the resident, the original dispensing pharmacy is required to deliver medications dispensed for the resident directly to the contract pharmacist or pharmacy. The original dispensing pharmacy is further required to provide the contract pharmacist or pharmacy with the name and strength of the drug, the name of the manufacturer of the drug, the manufacturer's lot or control number, the manufacturer's expiration date for the drug, and the date the drug was dispensed.

**Subd. 6. Redispensing of returned drugs prohibited.** Unused drugs repackaged according to this section that are returned to any pharmacy shall not be redispensed.

**Subd. 7. Immunity from civil liability.** (a) A contract pharmacist or pharmacy and its employees or agents repackaging a drug acquired from an original dispensing pharmacy shall be immune from civil liability arising from harm caused by the drug due to acts or omissions of other persons outside of the contract pharmacist or pharmacy if the contract pharmacist or pharmacy properly repackages the drug according to this section.

(b) A long-term care facility and the facility's employees or agents who properly administer a drug repackaged by a contract pharmacist or pharmacy under this section shall be immune from civil liability arising from harm caused by the drug due to acts or omissions of other persons outside the long-term care facility.

Subd. 8. **Handling fee.** A contract pharmacist or pharmacy may charge a monthly fee of no more than 250 percent of the medical assistance program dispensing fee for each drug repackaged according to this section, but no more than \$100 per month for each individual resident."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Otremba, Gottwalt, Shimanski, Slawik, Ward and Fritz moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 140, after line 25, insert:

"Sec. 32. **LICENSING MORATORIUM.**

A program operated by a nonpublic school for children 33 months or older is exempt from the human services licensing requirements in Minnesota Statutes, chapter 245A, until July 1, 2009. Nothing in this section prohibits an already licensed nonpublic school program from continuing its licensure or a nonpublic school program from seeking licensure.

**EFFECTIVE DATE.** This moratorium is effective upon final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

#### CALL OF THE HOUSE

On the motion of Hoppe and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abeler	Buesgens	Eastlund	Hackbarth	Howes	Lesch
Anderson, B.	Carlson	Eken	Hamilton	Huntley	Liebling
Anderson, S.	Clark	Emmer	Hansen	Jaros	Lieder
Anzelc	Cornish	Erhardt	Hausman	Johnson	Lillie
Atkins	Davnie	Erickson	Haws	Juhnke	Loeffler
Beard	Dean	Faust	Heidgerken	Kahn	Madore
Benson	DeLaForest	Finstad	Hilstrom	Kalin	Magnus
Berns	Demmer	Fritz	Hilty	Knuth	Mahoney
Bigham	Dettmer	Gardner	Holberg	Koenen	Mariani
Bly	Dill	Garofalo	Hoppe	Kohls	Marquart
Brod	Dittrich	Gottwalt	Hornstein	Kranz	Masin
Brown	Dominguez	Greiling	Hortman	Laine	McFarlane
Brynaert	Doty	Gunther	Hosch	Lenczewski	McNamara

Moe	Olin	Peterson, S.	Severson	Swails	Ward
Morgan	Olson	Poppe	Shimanski	Thao	Walti
Morrow	Otremba	Rukavina	Simon	Thissen	Westrom
Mullery	Paulsen	Ruth	Simpson	Tillberry	Winkler
Murphy, E.	Paymar	Ruud	Slawik	Tingelstad	Wollschlager
Murphy, M.	Pelowski	Sailer	Slocum	Tschumper	Zellers
Nelson	Peppin	Scalze	Smith	Urdahl	Spk. Kelliher
Nornes	Peterson, A.	Seifert	Solberg	Wagenius	
Norton	Peterson, N.	Sertich	Sviggum	Walker	

Sertich moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

Otremba, Finstad, Gottwalt, Cornish, Peppin, Nornes, Demmer, Heidgerken, Hoppe, Dettmer, Erickson, Dean, Fritz, Koenen, Severson, Zellers, Ruth, Lanning, Emmer, Ward, Shimanski, Tingelstad and Brod moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 169, after line 33, insert:

"Sec. 32. **PROHIBITION ON USE OF FUNDS.**

Funding for state-sponsored health programs shall not be used for funding abortions, except to the extent necessary for continued participation in a federal program. For purposes of this section, abortion has the meaning given in Minnesota Statutes, section 144.343, subdivision 3."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Otremba et al amendment and the roll was called. There were 64 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Abeler	Dettmer	Garofalo	Juhnke	Olin	Simpson
Anderson, B.	Dill	Gottwalt	Koenen	Olson	Smith
Anderson, S.	Dittrich	Gunther	Kohls	Otremba	Sviggum
Beard	Doty	Hackbarth	Lanning	Paulsen	Tingelstad
Berns	Eastlund	Hamilton	Lenczewski	Pelowski	Urdahl
Brod	Eken	Haws	Magnus	Peppin	Ward
Buesgens	Emmer	Heidgerken	Marquart	Peterson, N.	Walti
Cornish	Erickson	Holberg	McFarlane	Ruth	Westrom
Dean	Faust	Hoppe	McNamara	Seifert	Zellers
DeLaForest	Finstad	Hosch	Murphy, M.	Severson	
Demmer	Fritz	Howes	Nornes	Shimanski	

Those who voted in the negative were:

Anzelc	Erhardt	Kahn	Mariani	Poppe	Thissen
Atkins	Gardner	Kalin	Masin	Rukavina	Tillberry
Benson	Greiling	Knuth	Moe	Ruud	Tschumper
Bigham	Hansen	Kranz	Morgan	Sailer	Wagenius
Bly	Hausman	Laine	Morrow	Scalze	Walker
Brown	Hilstrom	Lesch	Mullery	Sertich	Winkler
Brynaert	Hilty	Liebling	Murphy, E.	Simon	Wollschlager
Bunn	Hornstein	Lieder	Nelson	Slawik	Spk. Kelliher
Carlson	Hortman	Lillie	Norton	Slocum	
Clark	Huntley	Loeffler	Paymar	Solberg	
Davnie	Jaros	Madore	Peterson, A.	Swails	
Dominguez	Johnson	Mahoney	Peterson, S.	Thao	

The motion did not prevail and the amendment was not adopted.

#### CALL OF THE HOUSE LIFTED

Brod moved that the call of the House be lifted. The motion prevailed and it was so ordered.

Carlson was excused between the hours of 3:10 p.m. and 11:15 p.m.

Garofalo moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Pages 17 and 18, delete section 13

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Garofalo amendment and the roll was called. There were 46 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Finstad	Howes	Paulsen	Smith
Anderson, B.	DeLaForest	Garofalo	Kohls	Peppin	Sviggum
Anderson, S.	Demmer	Gottwalt	Lanning	Peterson, N.	Tingelstad
Beard	Dettmer	Gunther	Magnus	Ruth	Urdahl
Berns	Eastlund	Hackbarth	McFarlane	Seifert	Westrom
Brod	Emmer	Hamilton	McNamara	Severson	Zellers
Buesgens	Erhardt	Holberg	Nornes	Shimanski	
Cornish	Erickson	Hoppe	Olson	Simpson	

Those who voted in the negative were:

Anzelc	Faust	Johnson	Mahoney	Pelowski	Thissen
Atkins	Fritz	Juhnke	Mariani	Peterson, A.	Tillberry
Benson	Gardner	Kahn	Marquart	Peterson, S.	Tschumper
Bigham	Greiling	Kalin	Masin	Poppe	Wagenius
Bly	Hansen	Knuth	Moe	Rukavina	Walker
Brown	Hausman	Koenen	Morgan	Ruud	Ward
Brynaert	Haws	Kranz	Morrow	Sailer	Walti
Bunn	Heidgerken	Laine	Mullery	Scalze	Winkler
Clark	Hilstrom	Lenczewski	Murphy, E.	Sertich	Wollschlager
Davnie	Hilty	Lesch	Murphy, M.	Simon	Spk. Kelliher
Dill	Hornstein	Liebling	Nelson	Slawik	
Dittrich	Hortman	Lieder	Norton	Slocum	
Dominguez	Hosch	Lillie	Olin	Solberg	
Doty	Huntley	Loeffler	Otremba	Swails	
Eken	Jaros	Madore	Paymar	Thao	

The motion did not prevail and the amendment was not adopted.

Gottwalt moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 170, delete section 32

Page 376, delete Article 8, and insert:

#### "ARTICLE 8

#### HEALTHY CONNECTIONS

Section 1. Minnesota Statutes 2006, section 13.46, subdivision 2, is amended to read:

Subd. 2. **General.** (a) Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used, or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

- (1) according to section 13.05;
- (2) according to court order;
- (3) according to a statute specifically authorizing access to the private data;
- (4) to an agent of the welfare system, including a law enforcement person, attorney, or investigator acting for it in the investigation or prosecution of a criminal or civil proceeding relating to the administration of a program;
- (5) to personnel of the welfare system who require the data to verify an individual's identity; determine eligibility, amount of assistance, and the need to provide services to an individual or family across programs; evaluate the effectiveness of programs; and investigate suspected fraud;
- (6) to administer federal funds or programs;

(7) between personnel of the welfare system working in the same program;

(8) to the Department of Revenue to administer and evaluate tax refund or tax credit programs and to identify individuals who may benefit from these programs. The following information may be disclosed under this paragraph: an individual's and their dependent's names, dates of birth, Social Security numbers, income, addresses, and other data as required, upon request by the Department of Revenue. Disclosures by the commissioner of revenue to the commissioner of human services for the purposes described in this clause are governed by section 270B.14, subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent care credit under section 290.067, the Minnesota working family credit under section 290.0671, the property tax refund and rental credit under section 290A.04, and the Minnesota education credit under section 290.0674;

(9) between the Department of Human Services, the Department of Education, and the Department of Employment and Economic Development for the purpose of monitoring the eligibility of the data subject for unemployment benefits, for any employment or training program administered, supervised, or certified by that agency, for the purpose of administering any rehabilitation program or child care assistance program, whether alone or in conjunction with the welfare system, or to monitor and evaluate the Minnesota family investment program by exchanging data on recipients and former recipients of food support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

(10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;

(11) data maintained by residential programs as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state according to Part C of Public Law 98-527 to protect the legal and human rights of persons with developmental disabilities or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;

(12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;

(13) data on a child support obligor who makes payments to the public agency may be disclosed to the Minnesota Office of Higher Education to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);

(14) participant Social Security numbers and names collected by the telephone assistance program may be disclosed to the Department of Revenue to conduct an electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;

(15) the current address of a Minnesota family investment program participant may be disclosed to law enforcement officers who provide the name of the participant and notify the agency that:

(i) the participant:

(A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony under the laws of the jurisdiction from which the individual is fleeing; or

(B) is violating a condition of probation or parole imposed under state or federal law;

(ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and

(iii) the request is made in writing and in the proper exercise of those duties;

(16) the current address of a recipient of general assistance or general assistance medical care may be disclosed to probation officers and corrections agents who are supervising the recipient and to law enforcement officers who are investigating the recipient in connection with a felony level offense;

(17) information obtained from food support applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the Food Stamp Act, according to Code of Federal Regulations, title 7, section 272.1(c);

(18) the address, Social Security number, and, if available, photograph of any member of a household receiving food support shall be made available, on request, to a local, state, or federal law enforcement officer if the officer furnishes the agency with the name of the member and notifies the agency that:

(i) the member:

(A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

(B) is violating a condition of probation or parole imposed under state or federal law; or

(C) has information that is necessary for the officer to conduct an official duty related to conduct described in subitem (A) or (B);

(ii) locating or apprehending the member is within the officer's official duties; and

(iii) the request is made in writing and in the proper exercise of the officer's official duty;

(19) the current address of a recipient of Minnesota family investment program, general assistance, general assistance medical care, or food support may be disclosed to law enforcement officers who, in writing, provide the name of the recipient and notify the agency that the recipient is a person required to register under section 243.166, but is not residing at the address at which the recipient is registered under section 243.166;

(20) certain information regarding child support obligors who are in arrears may be made public according to section 518A.74;

(21) data on child support payments made by a child support obligor and data on the distribution of those payments excluding identifying information on obligees may be disclosed to all obligees to whom the obligor owes support, and data on the enforcement actions undertaken by the public authority, the status of those actions, and data on the income of the obligor or obligee may be disclosed to the other party;

(22) data in the work reporting system may be disclosed under section 256.998, subdivision 7;

(23) to the Department of Education for the purpose of matching Department of Education student data with public assistance data to determine students eligible for free and reduced price meals, meal supplements, and free milk according to United States Code, title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state funds that are distributed based on income of the student's family; and to verify receipt of energy assistance for the telephone assistance plan;

(24) the current address and telephone number of program recipients and emergency contacts may be released to the commissioner of health or a local board of health as defined in section 145A.02, subdivision 2, when the commissioner or local board of health has reason to believe that a program recipient is a disease case, carrier, suspect case, or at risk of illness, and the data are necessary to locate the person;

(25) to other state agencies, statewide systems, and political subdivisions of this state, including the attorney general, and agencies of other states, interstate information networks, federal agencies, and other entities as required by federal regulation or law for the administration of the child support enforcement program;

(26) to personnel of public assistance programs as defined in section 256.741, for access to the child support system database for the purpose of administration, including monitoring and evaluation of those public assistance programs;

(27) to monitor and evaluate the Minnesota family investment program by exchanging data between the Departments of Human Services and Education, on recipients and former recipients of food support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

(28) to evaluate child support program performance and to identify and prevent fraud in the child support program by exchanging data between the Department of Human Services, Department of Revenue under section 270B.14, subdivision 1, paragraphs (a) and (b), without regard to the limitation of use in paragraph (c), Department of Health, Department of Employment and Economic Development, and other state agencies as is reasonably necessary to perform these functions; ~~or~~

(29) counties operating child care assistance programs under chapter 119B may disseminate data on program participants, applicants, and providers to the commissioner of education; or

(30) pursuant to section 256L.02, subdivision 6, between the welfare system and the Minnesota Health Insurance Exchange, under section 62A.67, in order to enroll and collect premiums from individuals in the MinnesotaCare program under chapter 256L and to administer the individual's and their families' participation in the program.

(b) Information on persons who have been treated for drug or alcohol abuse may only be disclosed according to the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16), (17), or (18), or paragraph (b), are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

(d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but is not subject to the access provisions of subdivision 10, paragraph (b).

For the purposes of this subdivision, a request will be deemed to be made in writing if made through a computer interface system.

Sec. 2. **[62A.67] MINNESOTA HEALTH INSURANCE EXCHANGE.**

Subdivision 1. **Title; citation.** This section may be cited as the "Minnesota Health Insurance Exchange."



Subd. 2. **Creation; tax exemption.** The Minnesota Health Insurance Exchange is created for the limited purpose of providing individuals with greater access, choice, portability, and affordability of health insurance products. The Minnesota Health Insurance Exchange is a not-for-profit corporation under chapter 317A and section 501(c) of the Internal Revenue Code.

Subd. 3. **Definitions.** The following terms have the meanings given them unless otherwise provided in text.

(a) "Board" means the board of directors of the Minnesota Health Insurance Exchange under subdivision 13.

(b) "Commissioner" means:

(1) the commissioner of commerce for health insurers subject to the jurisdiction of the Department of Commerce;

(2) the commissioner of health for health insurers subject to the jurisdiction of the Department of Health; or

(3) either commissioner's designated representative.

(c) "Exchange" means the Minnesota Health Insurance Exchange.

(d) "HIPAA" means the Health Insurance Portability and Accountability Act of 1996.

(e) "Individual market health plans," unless otherwise specified, means individual market health plans defined in section 62A.011 and MinnesotaCare II products as defined in chapter 256L.

(f) "Section 125 Plan" means a Premium Only Plan under section 125 of the Internal Revenue Code.

Subd. 4. **Insurer and health plan participation.** All health plans as defined in section 62A.011, subdivision 3, issued or renewed in the individual market shall participate in the exchange. No health plans in the individual market may be issued or renewed outside of the exchange. Group health plans as defined in section 62A.10 shall not be offered through the exchange. Health plans offered through the Minnesota Comprehensive Health Association as defined in section 62E.10 are offered through the exchange to eligible enrollees as determined by the Minnesota Comprehensive Health Association. Health plans offered through MinnesotaCare and MinnesotaCare II under chapter 256L are offered through the exchange to eligible enrollees as determined by the commissioner of human services.

Subd. 5. **Approval of health plans.** No health plan may be offered through the exchange unless the commissioner has first certified that:

(1) the insurer seeking to offer the health plan is licensed to issue health insurance in the state; and

(2) the health plan meets the requirements of this section, and the health plan and the insurer are in compliance with all other applicable health insurance laws.

Subd. 6. **Individual market health plans.** Individual market health plans offered through the exchange continue to be regulated by the commissioner as specified in chapters 62A, 62C, 62D, 62E, 62Q, and 72A, and must include the following provisions that apply to all health plans issued or renewed through the exchange:

(1) premiums for children under the age of 19 shall not vary by age in the exchange; and

(2) premiums for children under the age of 19 must be excluded from rating factors requirements under section 62A.65, subdivision 3, paragraph (b).

Subd. 7. **MinnesotaCare II health plans.** Health plans approved for MinnesotaCare II under section 256L.075 shall be offered by participating insurers to exchange participants not enrolled in MinnesotaCare II.

Subd. 8. **Individual participation and eligibility.** Individuals are eligible to purchase health plans directly through the exchange or through an employer Section 125 Plan under section 62A.68. Nothing in this section requires guaranteed issue of individual market health plans offered through the exchange. Individuals are eligible to purchase individual market health plans through the exchange by meeting one or more of the following qualifications:

(1) the individual is a Minnesota resident, meaning the individual is physically residing on a permanent basis in a place that is the person's principal residence and from which the person is absent only for temporary purposes;

(2) the individual is a student attending an institution outside of Minnesota and maintains Minnesota residency;

(3) the individual is not a Minnesota resident but is employed by an employer physically located within the state and the individual's employer does not offer a group health insurance plan as defined in section 62A.10, but does offer a Section 125 Plan through the exchange under section 62A.68;

(4) the individual is not a Minnesota resident but is self-employed and the individual's principal place of business is in the state; or

(5) the individual is a dependent as defined in section 62L.02, of another individual who is eligible to participate in the exchange.

Subd. 9. **Continuation of coverage.** Enrollment in a health plan may be canceled for nonpayment of premiums, fraud, or changes in eligibility for MinnesotaCare under chapter 256L. Enrollment in an individual market health plan may not be canceled or renewed because of any change in employer or employment status, marital status, health status, age, residence, or any other change that does not affect eligibility as defined in this section.

Subd. 10. **Responsibilities of the exchange.** The exchange shall serve as the sole entity for enrollment and collection and transfer of premium payments for health plans offered through the exchange. The exchange shall be responsible for the following functions:

(1) publicize the exchange, including but not limited to its functions, eligibility rules, and enrollment procedures;

(2) provide assistance to employers to set up an employer Section 125 Plan under section 62A.68;

(3) create a system to allow individuals to compare and enroll in health plans offered through the exchange;

(4) create a system to collect and transmit to the applicable plans all premium payments or contributions made by or on behalf of individuals, including developing mechanisms to receive and process automatic payroll deductions for individuals enrolled in employer Section 125 Plans;

(5) refer individuals interested in MinnesotaCare or MinnesotaCare II under chapter 256L to the Department of Human Services to determine eligibility;

(6) establish a mechanism with the Department of Human Services to transfer premiums and subsidies for MinnesotaCare and MinnesotaCare II to qualify for federal matching payments;

(7) administer bonus accounts as defined in chapter 256L to reimburse MinnesotaCare II enrollees for qualified medical expenses under section 213(d) of the Internal Revenue Code;

(8) collect and assess information for eligibility for bonus accounts and premium incentives under chapter 256L;

(9) upon request, issue certificates of previous coverage according to the provisions of HIPAA and as referenced in section 62Q.181 to all such individuals who cease to be covered by a participating health plan through the exchange;

(10) establish procedures to account for all funds received and disbursed by the exchange for individual participants of the exchange; and

(11) make available to the public, at the end of each calendar year, a report of an independent audit of the exchange's accounts.

**Subd. 11. Powers of the exchange.** The exchange shall have the power to:

(1) contract with insurance producers licensed in accident and health insurance under chapter 60K and vendors to perform one or more of the functions specified in subdivision 10;

(2) contract with employers to act as the plan administrator for participating employer Section 125 Plans and to undertake the obligations required by federal law of a plan administrator;

(3) establish and assess fees on health plan premiums of health plans purchased through the exchange to fund the cost of administering the exchange;

(4) seek and directly receive grant funding from government agencies or private philanthropic organizations to defray the costs of operating the exchange;

(5) establish and administer rules and procedures governing the operations of the exchange;

(6) establish one or more service centers within Minnesota;

(7) sue or be sued or otherwise take any necessary or proper legal action;

(8) establish bank accounts and borrow money; and

(9) enter into agreements with the commissioners of commerce, health, human services, revenue, employment and economic development, and other state agencies as necessary for the exchange to implement the provisions of this section.

**Subd. 12. Dispute resolution.** The exchange shall establish procedures for resolving disputes with respect to the eligibility of an individual to participate in the exchange. The exchange does not have the authority or responsibility to intervene in or resolve disputes between an individual and a health plan or health insurer. The exchange shall refer complaints from individuals participating in the exchange to the commissioner of human services to be resolved according to sections 62Q.68 to 62Q.73.

**Subd. 13. Governance.** The exchange shall be governed by a board of directors with 11 members. The board shall convene on or before July 1, 2007, after the initial board members have been selected. The initial board membership consists of the following:

(1) the commissioner of commerce;

(2) the commissioner of human services;

(3) the commissioner of health;

(4) four members appointed by a joint committee of the Minnesota senate and the Minnesota house of representatives to serve three-year terms; and

(5) four members appointed by the governor to serve three-year terms.

Subd. 14. **Subsequent board membership.** Ongoing membership of the exchange consists of the following effective July 1, 2010:

(1) the commissioner of commerce;

(2) the commissioner of human services;

(3) the commissioner of health;

(4) four members appointed by the governor with the approval of a joint committee of the senate and house of representatives to serve two- or three-year terms. Appointed members may serve more than one term; and

(5) four members elected by the membership of the exchange of which two are elected to serve a two-year term and two are elected to serve a three-year term. Elected members may serve more than one term.

Subd. 15. **Operations of the board.** Officers of the board of directors are elected by members of the board and serve one-year terms. Six members of the board constitutes a quorum, and the affirmative vote of six members of the board is necessary and sufficient for any action taken by the board. Board members serve without pay, but are reimbursed for actual expenses incurred in the performance of their duties.

Subd. 16. **Operations of the exchange.** The board of directors shall appoint an exchange director who shall:

(1) be a full-time employee of the exchange;

(2) administer all of the activities and contracts of the exchange; and

(3) hire and supervise the staff of the exchange.

Subd. 17. **Insurance producers.** When a producer licensed in accident and health insurance under chapter 60K enrolls an eligible individual in the exchange, the health plan chosen by an individual may pay the producer a commission.

Subd. 18. **Implementation.** Health plan coverage through the exchange begins on January 1, 2009. The exchange must be operational to assist employers and individuals by September 1, 2008, and be prepared for enrollment by December 1, 2008. Enrollees of individual market health plans, MinnesotaCare, and the Minnesota Comprehensive Health Association as of December 2, 2008, are automatically enrolled in the exchange on January 1, 2009, in the same health plan and at the same premium that they were enrolled as of December 2, 2008, subject to the provisions of this section. As of January 1, 2009, all enrollees of individual market health plans, MinnesotaCare, and the Minnesota Comprehensive Health Association shall make premium payments to the exchange.

Subd. 19. **Study of insurer issue requirements.** In consultation with the commissioners of commerce and health, the exchange shall study and make recommendations on rating requirements and risk adjustment mechanisms that could be implemented to facilitate increased enrollment in the exchange by employers and employees through employer Section 125 Plans. The exchange shall report study findings and recommendations to the chairs of house and senate committees having jurisdiction over commerce and health by January 15, 2011.

Sec. 3. **[62A.68] SECTION 125 PLANS.**

Subdivision 1. **Definitions.** The following terms have the meanings given unless otherwise provided in text:

(a) "Current employee" means an employee currently on an employer's payroll other than a retiree or disabled former employee.

(b) "Employer" means a person, firm, corporation, partnership, association, business trust, or other entity employing one or more persons, including a political subdivision of the state, filing payroll tax information on such employed person or persons.

(c) "Section 125 Plan" means a Premium Only Plan under section 125 of the Internal Revenue Code.

(d) "Exchange" means the Minnesota Health Insurance Exchange under section 62A.67.

(e) "Exchange director" means the appointed director under section 62A.67, subdivision 16.

Subd. 2. **Section 125 Plan requirement.** Effective January 1, 2009, all employers with 11 or more current employees shall offer a Section 125 Plan through the exchange to allow their employees to pay for health insurance premiums with pretax dollars. The following employers are exempt from the Section 125 Plan requirement:

(1) employers that offer a group health insurance plan as defined in 62A.10;

(2) employers that offer group health insurance through a self-insured plan as defined in section 62E.02; and

(3) employers with fewer than 11 current employees, except that employers under this clause may voluntarily offer a Section 125 Plan.

Subd. 3. **Tracking compliance.** By July 1, 2008, the exchange, in consultation with the commissioners of commerce, health, employment and economic development, and revenue shall establish a method for tracking employer compliance with the Section 125 Plan requirement.

Subd. 4. **Employer requirements.** Employers that are required to offer or choose to offer a Section 125 Plan through the exchange shall enter into an annual binding agreement with the exchange, which includes the terms in paragraphs (a) to (h).

(a) The employer shall designate the exchange director to be the plan's administrator for the employer's plan and the exchange director agrees to undertake the obligations required of a plan administrator under federal law.

(b) Only the coverage and benefits offered by participating insurers in the exchange constitutes the coverage and benefits of the participating employer plan.

(c) Any individual eligible to participate in the exchange may elect coverage under any participating health plan for which they are eligible, and neither the employer nor the exchange shall limit choice of coverage from among all the participating insurance plans for which the individual is eligible.

(d) The employer shall deduct premium amounts on a pretax basis in an amount not to exceed an employee's wages and make payments to the exchange as directed by employees for health plans employees enroll in through the exchange.

(e) The employer shall not offer individuals eligible to participate in the exchange any separate or competing group health plan under section 62A.10.

(f) The employer reserves the right to determine the terms and amounts of the employer's contribution to the plan, if any.

(g) The employer shall make available to the exchange any of the employer's documents, records, or information, including copies of the employer's federal and state tax and wage reports that are necessary for the exchange to verify:

(1) that the employer is in compliance with the terms of its agreement with the exchange governing the participating employer plan;

(2) that the participating employer plan is in compliance with applicable state and federal laws, including those relating to nondiscrimination in coverage; and

(3) the eligibility of those individuals enrolled in the participating employer plan.

(h) The exchange shall not provide the participating employer plan with any additional or different services or benefits not otherwise provided or offered to all other participating employer plans.

Subd. 5. **Section 125 eligible health plans.** Individuals eligible to enroll in health plans through an employer Section 125 Plan through the exchange may enroll in any health plan offered through the exchange for which the individual is eligible including individual market health plans, MinnesotaCare and MinnesotaCare II, and the Minnesota Comprehensive Health Association.

Sec. 4. Minnesota Statutes 2006, section 62E.141, is amended to read:

**62E.141 INCLUSION IN EMPLOYER-SPONSORED PLAN.**

No employee of an employer that offers a group health plan, under which the employee is eligible for coverage, is eligible to enroll, or continue to be enrolled, in the comprehensive health association, except for enrollment or continued enrollment necessary to cover conditions that are subject to an unexpired preexisting condition limitation, preexisting condition exclusion, or exclusionary rider under the employer's health plan. This section does not apply to persons enrolled in the Comprehensive Health Association as of June 30, 1993. With respect to persons eligible to enroll in the health plan of an employer that has more than 29 current employees, as defined in section 62L.02, this section does not apply to persons enrolled in the Comprehensive Health Association as of December 31, 1994.

Sec. 5. Minnesota Statutes 2006, section 62L.12, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) A health carrier may sell, issue, or renew individual conversion policies to eligible employees otherwise eligible for conversion coverage under section 62D.104 as a result of leaving a health maintenance organization's service area.

(b) A health carrier may sell, issue, or renew individual conversion policies to eligible employees otherwise eligible for conversion coverage as a result of the expiration of any continuation of group coverage required under sections 62A.146, 62A.17, 62A.21, 62C.142, 62D.101, and 62D.105.

- (c) A health carrier may sell, issue, or renew conversion policies under section 62E.16 to eligible employees.
- (d) A health carrier may sell, issue, or renew individual continuation policies to eligible employees as required.
- (e) A health carrier may sell, issue, or renew individual health plans if the coverage is appropriate due to an unexpired preexisting condition limitation or exclusion applicable to the person under the employer's group health plan or due to the person's need for health care services not covered under the employer's group health plan.
- (f) A health carrier may sell, issue, or renew an individual health plan, if the individual has elected to buy the individual health plan not as part of a general plan to substitute individual health plans for a group health plan nor as a result of any violation of subdivision 3 or 4.
- (g) Nothing in this subdivision relieves a health carrier of any obligation to provide continuation or conversion coverage otherwise required under federal or state law.
- (h) Nothing in this chapter restricts the offer, sale, issuance, or renewal of coverage issued as a supplement to Medicare under sections 62A.3099 to 62A.44, or policies or contracts that supplement Medicare issued by health maintenance organizations, or those contracts governed by sections 1833, 1851 to 1859, 1860D, or 1876 of the federal Social Security Act, United States Code, title 42, section 1395 et seq., as amended.
- (i) Nothing in this chapter restricts the offer, sale, issuance, or renewal of individual health plans necessary to comply with a court order.
- (j) A health carrier may offer, issue, sell, or renew an individual health plan to persons eligible for an employer group health plan, if the individual health plan is a high deductible health plan for use in connection with an existing health savings account, in compliance with the Internal Revenue Code, section 223. In that situation, the same or a different health carrier may offer, issue, sell, or renew a group health plan to cover the other eligible employees in the group.
- (k) A health carrier may offer, sell, issue, or renew an individual health plan to one or more employees of a small employer if the individual health plan is marketed directly to all employees of the small employer and the small employer does not contribute directly or indirectly to the premiums or facilitate the administration of the individual health plan. The requirement to market an individual health plan to all employees does not require the health carrier to offer or issue an individual health plan to any employee. For purposes of this paragraph, an employer is not contributing to the premiums or facilitating the administration of the individual health plan if the employer does not contribute to the premium and merely collects the premiums from an employee's wages or salary through payroll deductions and submits payment for the premiums of one or more employees in a lump sum to the health carrier. Except for coverage under section 62A.65, subdivision 5, paragraph (b), or 62E.16, at the request of an employee, the health carrier may bill the employer for the premiums payable by the employee, provided that the employer is not liable for payment except from payroll deductions for that purpose. If an employer is submitting payments under this paragraph, the health carrier shall provide a cancellation notice directly to the primary insured at least ten days prior to termination of coverage for nonpayment of premium. Individual coverage under this paragraph may be offered only if the small employer has not provided coverage under section 62L.03 to the employees within the past 12 months.

The employer must provide a written and signed statement to the health carrier that the employer is not contributing directly or indirectly to the employee's premiums. The health carrier may rely on the employer's statement and is not required to guarantee-issue individual health plans to the employer's other current or future employees.

(l) Nothing in this chapter restricts the offer, sale, issuance, or renewal of individual health plans through the Minnesota Health Insurance Exchange under section 62A.67 or 62A.68.

Sec. 6. **[256.962] MINNESOTA HEALTH CARE PROGRAMS OUTREACH.**

Subdivision 1. **Public awareness and education.** The commissioner shall design and implement a statewide campaign to raise public awareness on the availability of health coverage through medical assistance, general assistance medical care, and MinnesotaCare and to educate the public on the importance of obtaining and maintaining health care coverage. The campaign shall include multimedia messages directed to the general population.

Subd. 2. **Outreach grants.** (a) The commissioner shall award grants to public and private organizations or regional collaboratives for outreach activities, including, but not limited to:

(1) providing information, applications, and assistance in obtaining coverage through Minnesota public health care programs;

(2) collaborating with public and private entities such as hospitals, providers, health plans, legal aid offices, pharmacies, insurance agencies, and faith-based organizations to develop outreach activities and partnerships to ensure the distribution of information and applications and provide assistance in obtaining coverage through Minnesota health care programs; and

(3) providing or collaborating with public and private entities to provide multilingual and culturally specific information and assistance to applicants in areas of high uninsurance in the state or populations with high rates of uninsurance.

(b) The commissioner shall ensure that all outreach materials are available in languages other than English.

(c) The commissioner shall establish an outreach trainer program to provide training to designated individuals from the community and public and private entities on application assistance in order for these individuals to provide training to others in the community on an as-needed basis.

Subd. 3. **Application and assistance.** (a) The Minnesota health care programs application must be made available at provider offices, local human services agencies, school districts, public and private elementary schools in which 25 percent or more of the students receive free or reduced price lunches, community health offices, Women, Infants and Children (WIC) program sites, Head Start program sites, public housing councils, child care centers, early childhood education and preschool program sites, legal aid offices, and libraries. The commissioner shall ensure that applications are available in languages other than English.

(b) Local human service agencies, hospitals, and health care community clinics receiving state funds must provide direct assistance in completing the application form, including the free use of a copy machine and a drop box for applications. These locations must ensure that the drop box is checked at least weekly and any applications are submitted to the commissioner. The commissioner shall provide these entities with an identification number to stamp on each application to identify the entity that provided assistance. Other locations where applications are required to be available shall either provide direct assistance in completing the application form or provide information on where an applicant can receive application assistance.

(c) Counties must offer applications and application assistance when providing child support collection services.

(d) Local public health agencies and counties that provide immunization clinics must offer applications and application assistance during these clinics.



(e) The commissioner shall coordinate with the commissioner of health to ensure that maternal and child health outreach efforts include information on Minnesota health care programs and application assistance, when needed.

Subd. 4. **Statewide toll-free telephone number.** The commissioner shall provide funds for a statewide toll-free telephone number to provide information on public and private health coverage options and sources of free and low-cost health care. The statewide telephone number must provide the option of obtaining this information in languages other than English.

Subd. 5. **Incentive program.** The commissioner shall establish an incentive program for organizations that directly identify and assist potential enrollees in filling out and submitting an application. For each applicant who is successfully enrolled in MinnesotaCare, medical assistance, or general assistance medical care, the commissioner shall pay the organization a \$25 application assistance bonus. The organization may provide an applicant a gift certificate or other incentive upon enrollment.

Subd. 6. **School districts.** (a) At the beginning of each school year, a school district shall provide information to each student on the availability of health care coverage through the Minnesota health care programs.

(b) For each child who is determined to be eligible for a free or reduced priced lunch, the district shall provide the child's family with an application for the Minnesota health care programs and information on how to obtain application assistance.

(c) A district shall also ensure that applications and information on application assistance are available at early childhood education sites and public schools located within the district's jurisdiction.

(d) Each district shall designate an enrollment specialist to provide application assistance and follow-up services with families who are eligible for the reduced or free lunch program or who have indicated an interest in receiving information or an application for the Minnesota health care program.

(e) Each school district shall provide on their Web site a link to information on how to obtain an application and application assistance.

Subd. 7. **Renewal notice.** (a) The commissioner shall mail a renewal notice to enrollees notifying the enrollees that the enrollees eligibility must be renewed. A notice shall be sent at least 90 days prior to the renewal date and at least 60 days prior to the renewal date.

(b) For enrollees who are receiving services through managed care plans, the managed care plan must provide a follow-up renewal call at least 60 days prior to the enrollees' renewal dates.

(c) The commissioner shall include the end of coverage dates on the monthly rosters of enrollees provided to managed care organizations.

Sec. 7. Minnesota Statutes 2006, section 256B.057, subdivision 8, is amended to read:

**Subd. 8. Children under age two.** Medical assistance may be paid for a child under two years of age whose countable family income is above 275 percent of the federal poverty guidelines for the same size family but less than or equal to ~~280~~ 305 percent of the federal poverty guidelines for the same size family.

**EFFECTIVE DATE.** This section is effective January 1, 2009, or upon federal approval, whichever is later. The commissioner of human services shall notify the Office of the Revisor of Statutes when federal approval is obtained.

Sec. 8. Minnesota Statutes 2006, section 256L.02, subdivision 3, is amended to read:

Subd. 3. **Financial management.** (a) The commissioner shall manage spending for the MinnesotaCare program in a manner that maintains a minimum reserve. As part of each state revenue and expenditure forecast, the commissioner must make an assessment of the expected expenditures for the covered services for the remainder of the current biennium and for the following biennium. The estimated expenditure, including the reserve, shall be compared to an estimate of the revenues that will be available in the health care access fund. Based on this comparison, and after consulting with the chairs of the house Ways and Means Committee and the senate Finance Committee, and the Legislative Commission on Health Care Access, the commissioner shall, as necessary, make the adjustments specified in paragraph (b) to ensure that expenditures remain within the limits of available revenues for the remainder of the current biennium and for the following biennium. The commissioner shall not hire additional staff using appropriations from the health care access fund until the commissioner of finance makes a determination that the adjustments implemented under paragraph (b) are sufficient to allow MinnesotaCare expenditures to remain within the limits of available revenues for the remainder of the current biennium and for the following biennium.

(b) The adjustments the commissioner shall use must be implemented in this order: first, stop enrollment of single adults and households without children; second, upon 45 days' notice, stop coverage of single adults and households without children already enrolled in the MinnesotaCare program; third, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income above 200 percent of the federal poverty guidelines; fourth, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income at or below 200 percent; and fifth, require applicants to be uninsured for at least six months prior to eligibility in the MinnesotaCare program. If these measures are insufficient to limit the expenditures to the estimated amount of revenue, the commissioner shall further limit enrollment or decrease premium subsidies.

(c) The commissioner shall work in cooperation with the Minnesota Health Insurance Exchange under section 62A.67 to make adjustments under paragraph (b) as required under this subdivision.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 9. Minnesota Statutes 2006, section 256L.02, is amended by adding a subdivision to read:

Subd. 5. **Enrollment responsibilities.** According to section 256L.05, subdivision 6, effective January 1, 2009, the Minnesota Health Insurance Exchange under section 62A.67 shall assume responsibility for enrolling eligible applicants and enrollees in a health plan for MinnesotaCare coverage. The commissioner shall maintain responsibility for determining eligibility for MinnesotaCare.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 10. Minnesota Statutes 2006, section 256L.02, is amended by adding a subdivision to read:

Subd. 6. **Exchange of data.** An entity that is part of the welfare system as defined in section 13.46, subdivision 1, paragraph (c), and the Minnesota Health Insurance Exchange under section 62A.67 may exchange private data about individuals without the individual's consent in order to enroll and collect premiums from individuals in the MinnesotaCare program under chapter 256L and to administer the individual's and the individual's family's participation in the program. This subdivision only applies if the entity that is part of the welfare system and the Minnesota Health Insurance Exchange have entered into an agreement that complies with the requirements in Code of Federal Regulations, title 45, section 164.314.

Sec. 11. Minnesota Statutes 2006, section 256L.04, subdivision 1, is amended to read:

Subdivision 1. **Families with children.** (a) A child in a family with family income equal to or less than 300 percent of the federal poverty guidelines for the applicable family size is eligible for MinnesotaCare under this section. Adults in families with children with family income equal to or less than 275 percent of the federal poverty guidelines for the applicable family size shall be eligible for MinnesotaCare according to this section. All other provisions of sections 256L.01 to 256L.18, including the insurance-related barriers to enrollment under section 256L.07, shall apply unless otherwise specified.

(b) Parents who enroll in the MinnesotaCare program must also enroll their children, if the children are eligible. Children may be enrolled separately without enrollment by parents. However, if one parent in the household enrolls, both parents must enroll, unless other insurance is available. If one child from a family is enrolled, all children must be enrolled, unless other insurance is available. If one spouse in a household enrolls, the other spouse in the household must also enroll, unless other insurance is available. Families cannot choose to enroll only certain uninsured members.

(c) Beginning October 1, 2003, the dependent sibling definition no longer applies to the MinnesotaCare program. These persons are no longer counted in the parental household and may apply as a separate household.

(d) Beginning July 1, 2003, or upon federal approval, whichever is later, parents are not eligible for MinnesotaCare if their gross income exceeds \$50,000.

**EFFECTIVE DATE.** This section is effective January 1, 2009, or upon federal approval, whichever is later. The commissioner of human services shall notify the Office of the Revisor of Statutes when federal approval is obtained.

Sec. 12. Minnesota Statutes 2006, section 256L.05, subdivision 5, is amended to read:

Subd. 5. **Availability of private insurance.** ~~(a) The commissioner, in consultation with the commissioners of health and commerce, shall provide information regarding the availability of private health insurance coverage and the possibility of disenrollment under section 256L.07, subdivision 1, paragraphs (b) and (c), to all: (1) families enrolled in the MinnesotaCare program whose gross family income is equal to or more than 225 percent of the federal poverty guidelines; and (2) single adults and households without children enrolled in the MinnesotaCare program whose gross family income is equal to or more than 165 percent of the federal poverty guidelines. This information must be provided Minnesota Health Insurance Exchange under section 62A.67 upon initial enrollment and annually thereafter. The commissioner shall also include information regarding the availability of private health insurance coverage in~~

~~(b) The notice of ineligibility provided to persons subject to disenrollment under section 256L.07, subdivision 1, paragraphs (b) and (c), must include information about assistance with identifying and selecting private health insurance coverage provided by the Minnesota Health Insurance Exchange under section 62A.67.~~

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 13. Minnesota Statutes 2006, section 256L.05, is amended by adding a subdivision to read:

Subd. 6. **Minnesota Health Insurance Exchange.** The commissioner shall refer all MinnesotaCare applicants and enrollees to the Minnesota Health Insurance Exchange under section 62A.67. The Minnesota Health Insurance Exchange shall provide those referred with assistance in selecting a managed care plan through which to receive

MinnesotaCare covered services and in analyzing health plans available through the private market. MinnesotaCare applicants and enrollees shall effect enrollment in a managed care plan or a private market health plan through the Minnesota Health Insurance Exchange.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 14. Minnesota Statutes 2006, section 256L.06, subdivision 3, is amended to read:

Subd. 3. **Commissioner's duties and payment.** (a) Premiums are dedicated to the commissioner for MinnesotaCare.

(b) The commissioner shall develop and implement procedures to: (1) require enrollees to report changes in income; (2) adjust sliding scale premium payments at the time of eligibility renewal, based upon both increases and decreases in enrollee income, ~~at the time the change in income is reported~~; and (3) disenroll enrollees from MinnesotaCare for failure to pay required premiums. Failure to pay includes payment with a dishonored check, a returned automatic bank withdrawal, or a refused credit card or debit card payment. The commissioner may demand a guaranteed form of payment, including a cashier's check or a money order, as the only means to replace a dishonored, returned, or refused payment.

(c) Premiums are calculated on a calendar month basis and may be paid on a monthly, quarterly, or semiannual basis, with the first payment due upon notice from the commissioner of the premium amount required. The commissioner shall inform applicants and enrollees of these premium payment options. Premium payment is required before enrollment is complete and to maintain eligibility in MinnesotaCare. Premium payments received before noon are credited the same day. Premium payments received after noon are credited on the next working day.

(d) Nonpayment of the premium will result in disenrollment from the plan effective for the calendar month for which the premium was due. Persons disenrolled for nonpayment or who voluntarily terminate coverage from the program may not reenroll until four calendar months have elapsed. Persons disenrolled for nonpayment who pay all past due premiums as well as current premiums due, including premiums due for the period of disenrollment, within 20 days of disenrollment, shall be reenrolled retroactively to the first day of disenrollment. Persons disenrolled for nonpayment or who voluntarily terminate coverage from the program may not reenroll for four calendar months unless the person demonstrates good cause for nonpayment. Good cause does not exist if a person chooses to pay other family expenses instead of the premium. The commissioner shall define good cause in rule.

**EFFECTIVE DATE.** This section is effective January 1, 2009, or upon federal approval, whichever is later. The commissioner shall notify the Office of the Revisor of Statutes when federal approval is obtained.

Sec. 15. **[256L.075] MINNESOTACARE II OPTION ESTABLISHED.**

Subdivision 1. **Program established; enrollment.** The Minnesota Health Insurance Exchange under section 62A.67, in consultation with the commissioner, shall establish and administer a program that subsidizes the purchase of private market health plans for children eligible for MinnesotaCare in families with family income above 200 percent, but not exceeding 300 percent, of the federal poverty guidelines. The program established under this section is referred to as MinnesotaCare II. The private market health coverage provided under this section is an alternative to coverage under section 256L.03. Notwithstanding section 256L.12, children obtaining coverage under this section shall enroll in a health plan, as defined in section 62A.011, subdivision 3, through the individual market, that covers, at a minimum, the standard benefit set established in subdivision 2. Enrollment under this section is administered by the Minnesota Health Insurance Exchange. Eligibility under this section is determined by the commissioner. All other provisions of sections 256L.01 to 256L.18, including the insurance-related barriers to enrollment under section 256L.07, apply to this section unless otherwise specified.

Subd. 2. **Benefit set.** The Minnesota Health Insurance Exchange, in consultation with the commissioner, shall establish a standard benefit set for health plans that qualify for a subsidy under this section. The standard benefit set must be reviewed, and, if necessary, modified on an annual basis. Notwithstanding section 256L.03, subdivision 5, the benefit set may require co-payments, deductibles, and maximum annual out-of-pocket enrollee cost-sharing limits.

Subd. 3. **Health carrier participation.** (a) Health insurers with at least three percent of the market share of premium volume from individual market health plans as determined from loss ratio reports filed under section 62A.021, subdivision 1, paragraph (h), shall offer at least one health plan that covers the standard benefit set, or its actuarial equivalent as determined by the commissioner of commerce, to children enrolled under this section. Health issuers shall offer a health plan that covers the standard benefit set, without a subsidy, to adults so that families can enroll in a single plan. Health insurers that are not required to participate may participate voluntarily. The Minnesota Health Insurance Exchange shall certify those health plans that meet the standards in subdivision 2 and qualify for a subsidy under this section.

(b) Health insurers offering coverage under this section may offer up to three additional health plan products approved by the commissioner of commerce as actuarially equivalent or better than the standard plan established in subdivision 2. The additional products must also qualify for a subsidy if purchased to cover children eligible under this section.

(c) Nothing in this subdivision requires guaranteed issue of MinnesotaCare II health plans.

Subd. 4. **State subsidy; premium.** The cost of coverage for children enrolled under this section is subsidized based on a sliding scale. The amount of the subsidy provided for a child is equal to the cost of the least expensive health plan certified to participate under this section less an amount equal to one-half of the premium that would be paid for the child under section 256L.15, subdivision 2. The commissioner shall pay the subsidy to the Minnesota Health Insurance Exchange. The premium for a child enrolled under this section is equal to the difference between the cost of the health plan through which the coverage is provided and the amount of the subsidy. The premium must be paid to the Minnesota Health Insurance Exchange.

Subd. 5. **Enrollment; limitation on changing plans.** Notwithstanding section 256L.04, subdivision 1, individual children in a family may enroll under this section or under section 256L.03. A child enrolled under this section may change health plans or switch to coverage under section 256L.03 at the time of annual renewal. An enrollee may change health plans or switch to coverage under section 256L.03 at other times during the year if the family of the child experiences a qualifying life event, including, but not limited to, marriage, divorce, a change in dependent status, change in family size, or a change in eligibility for state health care programs under this chapter or chapter 256B or 256D.

Subd. 6. **Bonus accounts incentive.** The Minnesota Health Insurance Exchange shall administer bonus accounts for families with children enrolled under this section. Funds must be credited to a bonus account when a child covered under this section achieves specific goals for preventive services or healthy behaviors. Funds credited to an account can be used by a family to reimburse qualified medical expenses as defined in Internal Revenue Code, section 213(d). The commissioner, in consultation with the Minnesota Health Insurance Exchange, shall establish a schedule of preventive service and healthy behavior goals that qualify for a credit and corresponding credit amounts. Families with children enrolled under this section can qualify for credits of up to \$50 per year per child, up to a maximum of \$150 per year per family. Funds held in the account are available to a family until:

(1) there is no longer a child under age 21 in the family; or

(2) no child in the family has been enrolled under chapter 256B or 256L, or in a health plan through the Minnesota Health Insurance Exchange for the past six months.

Subd. 7. **Federal approval.** The commissioner shall seek all federal waivers and approvals necessary to implement and receive federal financial participation for expenditures under this section.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 16. Minnesota Statutes 2006, section 256L.12, subdivision 7, is amended to read:

Subd. 7. **Managed care plan vendor requirements.** The following requirements apply to all counties or vendors who contract with the Department of Human Services to serve MinnesotaCare recipients. Managed care plan contractors:

(1) shall authorize and arrange for the provision of the full range of services listed in section 256L.03 in order to ensure appropriate health care is delivered to enrollees;

(2) shall accept the prospective, per capita payment or other contractually defined payment from the commissioner in return for the provision and coordination of covered health care services for eligible individuals enrolled in the program;

(3) may contract with other health care and social service practitioners to provide services to enrollees;

(4) shall provide for an enrollee grievance process as required by the commissioner and set forth in the contract with the department;

(5) shall retain all revenue from enrollee co-payments;

(6) shall accept all eligible MinnesotaCare enrollees, without regard to health status or previous utilization of health services;

(7) shall demonstrate capacity to accept financial risk according to requirements specified in the contract with the department. A health maintenance organization licensed under chapter 62D, or a nonprofit health plan licensed under chapter 62C, is not required to demonstrate financial risk capacity, beyond that which is required to comply with chapters 62C and 62D; ~~and~~

(8) shall submit information as required by the commissioner, including data required for assessing enrollee satisfaction, quality of care, cost, and utilization of services; and

(9) shall participate in the Minnesota Health Insurance Exchange under section 62A.67 for the purpose of enrolling individuals under this chapter.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 17. Minnesota Statutes 2006, section 256L.15, subdivision 1a, is amended to read:

Subd. 1a. **Payment options.** (a) The commissioner may offer the following payment options to an enrollee:

(1) payment by check;

(2) payment by credit card;

(3) payment by recurring automatic checking withdrawal;

- (4) payment by onetime electronic transfer of funds;
- (5) payment by wage withholding with the consent of the employer and the employee; or
- (6) payment by using state tax refund payments.

At application or reapplication, a MinnesotaCare applicant or enrollee may authorize the commissioner to use the Revenue Recapture Act in chapter 270A to collect funds from the applicant's or enrollee's refund for the purposes of meeting all or part of the applicant's or enrollee's MinnesotaCare premium obligation. The applicant or enrollee may authorize the commissioner to apply for the state working family tax credit on behalf of the applicant or enrollee. The setoff due under this subdivision shall not be subject to the \$10 fee under section 270A.07, subdivision 1.

(b) Effective January 1, 2009, the Minnesota Health Insurance Exchange under section 62A.67 is responsible for collecting MinnesotaCare premiums.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 18. Minnesota Statutes 2006, section 256L.15, subdivision 2, is amended to read:

Subd. 2. **Sliding fee scale; monthly gross individual or family income.** (a) The commissioner shall establish a sliding fee scale to determine the percentage of monthly gross individual or family income that households at different income levels must pay to obtain coverage through the MinnesotaCare program. The sliding fee scale must be based on the enrollee's monthly gross individual or family income. The sliding fee scale must contain separate tables based on enrollment of one, two, or three or more persons. The sliding fee scale begins with a premium of 1.5 percent of monthly gross individual or family income for individuals or families with incomes below the limits for the medical assistance program for families and children in effect on January 1, 1999, and proceeds through the following evenly spaced steps: 1.8, 2.3, 3.1, 3.8, 4.8, 5.9, 7.4, and 8.8 percent. These percentages are matched to evenly spaced income steps ranging from the medical assistance income limit for families and children in effect on January 1, 1999, to 275 percent of the federal poverty guidelines for the applicable family size, up to a family size of five. The sliding fee scale for a family of five must be used for families of more than five. Effective October 1, 2003, the commissioner shall increase each percentage by 0.5 percentage points for enrollees with income greater than 100 percent but not exceeding 200 percent of the federal poverty guidelines and shall increase each percentage by 1.0 percentage points for families and children with incomes greater than 200 percent of the federal poverty guidelines. The sliding fee scale and percentages are not subject to the provisions of chapter 14. If a family or individual reports ~~increased a change in~~ income after enrollment, premiums shall not be adjusted ~~at the time the change in income is reported~~ until eligibility renewal.

(b) Beginning January 1, 2009, a new sliding fee scale premium schedule is established for children. The premium schedule for children must be used in conjunction with the premium schedule in paragraph (a) for adults to calculate a single MinnesotaCare premium for a family. The sliding fee scale begins with a premium of \$11 per child for households with incomes equal to or greater than 150 percent of the federal poverty guidelines. Premiums must be adjusted at evenly spaced income steps at increments of five percent of the federal poverty guidelines to a maximum premium of \$88 per child for households with incomes equal to 300 percent of the federal poverty guidelines. Premiums must be calculated for up to three children per family. Premiums for children must be adjusted annually at an amount that is proportional to the annual adjustment in premiums for adults. The sliding fee scale in this paragraph does not apply to children enrolled under section 256L.075.

~~(b)~~ (c) Children in families whose gross income is above ~~275~~ 300 percent of the federal poverty guidelines shall pay the maximum premium. The maximum premium is defined as a base charge for one, two, or three or more enrollees so that if all MinnesotaCare cases paid the maximum premium, the total revenue would equal the total cost

of MinnesotaCare medical coverage and administration. In this calculation, administrative costs shall be assumed to equal ten percent of the total. The costs of medical coverage for pregnant women and children under age two and the enrollees in these groups shall be excluded from the total. The maximum premium for two enrollees shall be twice the maximum premium for one, and the maximum premium for three or more enrollees shall be three times the maximum premium for one.

~~(e) After calculating the percentage of premium each enrollee shall pay under paragraph (a), eight percent shall be added to the premium.~~

**EFFECTIVE DATE.** Paragraphs (a) and (b) are effective January 1, 2009, or upon federal approval, whichever is later. The commissioner shall notify the Office of the Revisor of Statutes when federal approval is obtained. Paragraph (c) is effective July 1, 2007.

Sec. 19. Minnesota Statutes 2006, section 256L.15, is amended by adding a subdivision to read:

**Subd. 5. Premium discount incentive.** Adults and families with children are eligible for a premium reduction of \$3 per month for each child who met goals for preventive care or an adult who met goals for cardiac or diabetes care in the previous calendar year. The maximum premium reduction may not exceed \$15 per month per family. The commissioner, in consultation with the Minnesota Health Insurance Exchange, shall establish specific goals for preventive care, including cardiac and diabetes care, that make an enrollee eligible for the premium reduction. The premium discount incentive is administered by the Minnesota Health Insurance Exchange under section 62A.67. Children enrolled under section 256L.075 are not eligible for the premium discount incentive.

**EFFECTIVE DATE.** This section is effective January 1, 2009."

Page 478, line 9, delete "\$6,416,000" and insert "\$15,071,000"

Page 478, line 10, delete "\$5,643,000" and insert "\$22,326,000"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Adjust the fund totals accordingly

A roll call was requested and properly seconded.

The question was taken on the Gottwalt amendment and the roll was called. There were 45 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Garofalo	Howes	Paulsen	Smith
Anderson, B.	DeLaForest	Gottwalt	Kohls	Peppin	Sviggum
Anderson, S.	Demmer	Gunther	Lanning	Peterson, N.	Urdahl
Beard	Dettmer	Hackbarth	Magnus	Ruth	Westrom
Berns	Eastlund	Hamilton	McFarlane	Seifert	Zellers
Brod	Emmer	Heidgerken	McNamara	Severson	
Buesgens	Erickson	Holberg	Nornes	Shimanski	
Cornish	Finstad	Hoppe	Olson	Simpson	



Those who voted in the negative were:

Anzelc	Erhardt	Johnson	Mahoney	Pelowski	Thissen
Atkins	Faust	Juhnke	Mariani	Peterson, A.	Tillberry
Benson	Fritz	Kahn	Marquart	Peterson, S.	Tingelstad
Bigham	Gardner	Kalin	Masin	Poppe	Tschumper
Bly	Greiling	Knuth	Moe	Rukavina	Wagenius
Brown	Hansen	Koenen	Morgan	Ruud	Walker
Brynaert	Hausman	Kranz	Morrow	Sailer	Ward
Bunn	Haws	Laine	Mullery	Scalze	Werti
Clark	Hilstrom	Lenczewski	Murphy, E.	Sertich	Winkler
Davnie	Hilty	Lesch	Murphy, M.	Simon	Wollschlager
Dill	Hornstein	Liebling	Nelson	Slawik	Spk. Kelliher
Dittrich	Hortman	Lieder	Norton	Slocum	
Dominguez	Hosch	Lillie	Olin	Solberg	
Doty	Huntley	Loeffler	Otremba	Swails	
Eken	Jaros	Madore	Paymar	Thao	

The motion did not prevail and the amendment was not adopted.

Lesch was excused between the hours of 4:20 p.m. and 4:55 p.m.

Fritz, Urdahl, Otremba and Ward moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 228, line 4, delete the new language and reinstate the stricken language

Page 236, line 10, delete "three" and insert "two" and delete "2011" and insert "2010"

Page 236, line 11, delete "2012" and insert "2011"

Page 244, delete section 94 and insert:

"Sec. 94. Minnesota Statutes 2006, section 256B.441, is amended by adding a subdivision to read:

Subd. 56. **Rate increase; phase-in of rebased operating payment rates.** (a) Effective October 1, 2009, operating payment rates of all nursing facilities shall be increased to be equal, for a RUG's rate with a weight of 1.00, to the median rate for the same RUG's weight of all nursing facilities in subdivision 31, paragraph 1. The percentage of the operating payment rate for each facility to be case-mix adjusted shall be equal to the percentage that is case-mix adjusted in that facility's September 30, 2009, operating payment rate. This paragraph shall apply only if it results in a rate increase.

(b) For the rate years beginning October 1, 2009 and October 1, 2010, the operating cost payment rate calculated under this section shall be phased in by blending them with the operating cost payment rate determined under section 256B.434. For the rate year beginning October 1, 2009, the operating cost payment rate for each facility shall be 42 percent of the operating cost payment rate from this section, and 58 percent of the operating cost payment rate from section 256B.434. For the rate year beginning October 1, 2010, the operating cost payment rate for each facility shall be the operating cost payment rate determined under this section. The blending of operating cost payment rates under this subdivision shall be performed separately for each RUG's class.

(c) All funds received under this subdivision that are in excess of operating cost payment rates that a facility would have received under section 256B.434 shall be subject to the requirements in section 256B.434, subdivision 19, paragraphs (b) to (h)."

Page 265, after line 26, insert:

"Sec. 122. **RECOMMENDATIONS FOR PAYMENT OF NURSING FACILITIES.**

The commissioner of human services shall provide recommendations to the legislature by February 15, 2008, on changes to the nursing facility payment system for specialized care, setting property payment rates and proper treatment of bed closure incentives."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Adjust the fund totals accordingly

A roll call was requested and properly seconded.

Doty and Eken moved to amend the Fritz et al amendment to S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 2, after line 16 of the Fritz et al amendment, insert:

"Page 265, after line 26, insert:

"Sec. 122. **RATE ADJUSTMENTS FOR FINANCIALLY STRESSED FACILITIES.**

The commissioner of human services may negotiate operations payment rate adjustments with nursing facilities in danger of financial failure. The commissioner shall publish a request for proposals by September 30, 2007. Facilities may apply to the commissioner to negotiate for funding under this provision based on submittal of the following information:

(1) financial statements demonstrating financial losses and low net worth;

(2) statement of support from county agency;

(3) demonstrated potential for access problems for services if the facility closed;

(4) cost per bed required to preserve the nursing facilities ability to operate until October 1, 2009. '"

Page 488, line 11, delete "\$40,000,000" and insert "\$38,000,000"

Page 488, line 27, delete "\$40,000,000" and insert "\$38,000,000"

Page 503, after line 12, insert:

"Of this amount, \$2,000,000 for the biennium beginning July 1, 2007, is for nursing facility rate adjustment assistance grants for the commissioner of human services to provide rate adjustment to nursing facilities in a financial danger of closing. This is a onetime appropriation and shall not be come part of the agency base."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 88 yeas and 42 nays as follows:

Those who voted in the affirmative were:

Atkins	Erhardt	Hosch	Lillie	Pelowski	Sviggum
Beard	Faust	Howes	Loeffler	Peterson, A.	Thao
Benson	Fritz	Huntley	Madore	Peterson, N.	Thissen
Bigham	Gardner	Jaros	Mahoney	Peterson, S.	Tillberry
Bly	Greiling	Johnson	Mariani	Poppe	Tschumper
Brown	Gunther	Juhnke	Marquart	Rukavina	Urdahl
Brynaert	Hamilton	Kahn	Masin	Ruud	Wagenius
Clark	Hansen	Kalin	Moe	Sailer	Walker
Cornish	Hausman	Knuth	Morrow	Scalze	Ward
Davnie	Haws	Koenen	Mullery	Sertich	Welti
Dill	Heidgerken	Kranz	Murphy, M.	Shimanski	Winkler
Dittrich	Hilstrom	Laine	Norton	Simon	Wollschlager
Dominguez	Hilty	Lenczewski	Olin	Slawik	Spk. Kelliher
Doty	Hornstein	Liebling	Otremba	Slocum	
Eken	Hortman	Lieder	Paymar	Solberg	

Those who voted in the negative were:

Abeler	Bunn	Erickson	Kohls	Nelson	Severson
Anderson, B.	Dean	Finstad	Lanning	Nornes	Simpson
Anderson, S.	DeLaForest	Garofalo	Magnus	Olson	Smith
Anzelc	Demmer	Gottwalt	McFarlane	Paulsen	Swails
Berns	Dettmer	Hackbarth	McNamara	Peppin	Tingelstad
Brod	Eastlund	Holberg	Morgan	Ruth	Westrom
Buesgens	Emmer	Hoppe	Murphy, E.	Seifert	Zellers

The motion prevailed and the amendment to the amendment was adopted.

Brod, Urdahl and Heidgerken moved to amend the Fritz et al amendment, as amended, to S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 2, delete lines 7 to 9 and insert:

"(c) A portion of the funds received under this subdivision that are in excess of operating cost payment rates that a facility would have received under section 256B.434, as determined in accordance with clauses (1) to (3), shall be subject to the requirements in section 256B.434, subdivision 19, paragraphs (b) to (h).

(1) Determine the amount of additional funding available to a facility, which shall be equal to total medical assistance resident days from the most recent reporting year times the difference between the blended rate determined in paragraph (b) for the rate year being computed and the blended rate for the prior year.

(2) Determine the portion of all operating costs, for the most recent reporting year, that are compensation related. If this value exceeds 75 percent, use 75 percent.

(3) Subtract the amount determined in clause (2) from 75 percent.

(4) The portion of the fund received under this subdivision that shall be subject to the requirements in section 256B.434, subdivision 19, paragraphs (b) to (h), shall equal the amount determined in clause (1) times the amount determined in clause (3)."

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment, as amended, and the roll was called. There were 43 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	DeLaForest	Gottwalt	Kohls	Peppin	Urdahl
Anderson, S.	Demmer	Gunther	Lanning	Ruth	Westrom
Beard	Dettmer	Hackbarth	Magnus	Seifert	Zellers
Berns	Eastlund	Hamilton	McFarlane	Severson	
Brod	Emmer	Heidgerken	McNamara	Shimanski	
Buesgens	Erickson	Holberg	Nornes	Simpson	
Cornish	Finstad	Hoppe	Olson	Smith	
Dean	Garofalo	Howes	Paulsen	Svigum	

Those who voted in the negative were:

Abeler	Eken	Jaros	Mahoney	Pelowski	Thao
Anzelc	Erhardt	Johnson	Mariani	Peterson, A.	Thissen
Atkins	Faust	Juhnke	Marquart	Peterson, N.	Tillberry
Benson	Fritz	Kahn	Masin	Peterson, S.	Tingelstad
Bigham	Gardner	Kalin	Moe	Poppe	Tschumper
Bly	Greiling	Knuth	Morgan	Rukavina	Wagenius
Brown	Hansen	Koenen	Morrow	Ruud	Walker
Brynaert	Hausman	Kranz	Mullery	Sailer	Ward
Bunn	Haws	Laine	Murphy, E.	Scalze	Welti
Clark	Hilstrom	Lenczewski	Murphy, M.	Sertich	Winkler
Davnie	Hilty	Liebling	Nelson	Simon	Wollschlager
Dill	Hornstein	Lieder	Norton	Slawik	Spk. Kelliher
Dittrich	Hortman	Lillie	Olin	Slocum	
Dominguez	Hosch	Loeffler	Otremba	Solberg	
Doty	Huntley	Madore	Paymar	Swails	

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

The question recurred on the Fritz et al amendment, as amended, and the roll was called. There were 118 yeas and 12 nays as follows:

Those who voted in the affirmative were:

Abeler	Dominguez	Hornstein	Loeffler	Paulsen	Smith
Anderson, B.	Doty	Hortman	Madore	Paymar	Solberg
Anzelc	Eastlund	Hosch	Magnus	Pelowski	Sviggum
Atkins	Eken	Howes	Mahoney	Peterson, A.	Swails
Beard	Emmer	Huntley	Mariani	Peterson, N.	Thao
Benson	Erhardt	Jaros	Marquart	Peterson, S.	Thissen
Bigham	Faust	Johnson	Masin	Poppe	Tillberry
Bly	Finstad	Juhnke	McFarlane	Rukavina	Tingelstad
Brod	Fritz	Kahn	McNamara	Ruth	Tschumper
Brown	Gardner	Kalin	Moe	Ruud	Urdahl
Brynaert	Gottwalt	Knuth	Morgan	Sailer	Wagenius
Bunn	Greiling	Koenen	Morrow	Scalze	Walker
Clark	Gunther	Kranz	Mullery	Seifert	Ward
Cornish	Hamilton	Laine	Murphy, E.	Sertich	Welti
Davnie	Hansen	Lanning	Murphy, M.	Severson	Westrom
Dean	Hausman	Lenczewski	Nelson	Shimanski	Winkler
Demmer	Haws	Lesch	Nornes	Simon	Wollschlager
Dettmer	Heidgerken	Liebling	Norton	Simpson	Spk. Kelliher
Dill	Hilstrom	Lieder	Olin	Slawik	
Dittrich	Hilty	Lillie	Otremba	Slocum	

Those who voted in the negative were:

Anderson, S.	Buesgens	Garofalo	Holberg	Kohls	Peppin
Berns	DeLaForest	Hackbarth	Hoppe	Olson	Zellers

The motion prevailed and the amendment, as amended, was adopted.

The Speaker called Hausman to the Chair.

Brod, Finstad, Peppin and Dean moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 376, delete Article 8, and insert:

## "ARTICLE 8

### HEALTHY CONNECTIONS; MINNESOTACARE TAX

Section 1. Minnesota Statutes 2006, section 13.46, subdivision 2, is amended to read:

Subd. 2. **General.** (a) Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used, or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

(1) according to section 13.05;

- (2) according to court order;
- (3) according to a statute specifically authorizing access to the private data;
- (4) to an agent of the welfare system, including a law enforcement person, attorney, or investigator acting for it in the investigation or prosecution of a criminal or civil proceeding relating to the administration of a program;
- (5) to personnel of the welfare system who require the data to verify an individual's identity; determine eligibility, amount of assistance, and the need to provide services to an individual or family across programs; evaluate the effectiveness of programs; and investigate suspected fraud;
- (6) to administer federal funds or programs;
- (7) between personnel of the welfare system working in the same program;
- (8) to the Department of Revenue to administer and evaluate tax refund or tax credit programs and to identify individuals who may benefit from these programs. The following information may be disclosed under this paragraph: an individual's and their dependent's names, dates of birth, Social Security numbers, income, addresses, and other data as required, upon request by the Department of Revenue. Disclosures by the commissioner of revenue to the commissioner of human services for the purposes described in this clause are governed by section 270B.14, subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent care credit under section 290.067, the Minnesota working family credit under section 290.0671, the property tax refund and rental credit under section 290A.04, and the Minnesota education credit under section 290.0674;
- (9) between the Department of Human Services, the Department of Education, and the Department of Employment and Economic Development for the purpose of monitoring the eligibility of the data subject for unemployment benefits, for any employment or training program administered, supervised, or certified by that agency, for the purpose of administering any rehabilitation program or child care assistance program, whether alone or in conjunction with the welfare system, or to monitor and evaluate the Minnesota family investment program by exchanging data on recipients and former recipients of food support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;
- (10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;
- (11) data maintained by residential programs as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state according to Part C of Public Law 98-527 to protect the legal and human rights of persons with developmental disabilities or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;
- (12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;
- (13) data on a child support obligor who makes payments to the public agency may be disclosed to the Minnesota Office of Higher Education to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);
- (14) participant Social Security numbers and names collected by the telephone assistance program may be disclosed to the Department of Revenue to conduct an electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;

(15) the current address of a Minnesota family investment program participant may be disclosed to law enforcement officers who provide the name of the participant and notify the agency that:

(i) the participant:

(A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony under the laws of the jurisdiction from which the individual is fleeing; or

(B) is violating a condition of probation or parole imposed under state or federal law;

(ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and

(iii) the request is made in writing and in the proper exercise of those duties;

(16) the current address of a recipient of general assistance or general assistance medical care may be disclosed to probation officers and corrections agents who are supervising the recipient and to law enforcement officers who are investigating the recipient in connection with a felony level offense;

(17) information obtained from food support applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the Food Stamp Act, according to Code of Federal Regulations, title 7, section 272.1(c);

(18) the address, Social Security number, and, if available, photograph of any member of a household receiving food support shall be made available, on request, to a local, state, or federal law enforcement officer if the officer furnishes the agency with the name of the member and notifies the agency that:

(i) the member:

(A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

(B) is violating a condition of probation or parole imposed under state or federal law; or

(C) has information that is necessary for the officer to conduct an official duty related to conduct described in subitem (A) or (B);

(ii) locating or apprehending the member is within the officer's official duties; and

(iii) the request is made in writing and in the proper exercise of the officer's official duty;

(19) the current address of a recipient of Minnesota family investment program, general assistance, general assistance medical care, or food support may be disclosed to law enforcement officers who, in writing, provide the name of the recipient and notify the agency that the recipient is a person required to register under section 243.166, but is not residing at the address at which the recipient is registered under section 243.166;

(20) certain information regarding child support obligors who are in arrears may be made public according to section 518A.74;

(21) data on child support payments made by a child support obligor and data on the distribution of those payments excluding identifying information on obligees may be disclosed to all obligees to whom the obligor owes support, and data on the enforcement actions undertaken by the public authority, the status of those actions, and data on the income of the obligor or obligee may be disclosed to the other party;

(22) data in the work reporting system may be disclosed under section 256.998, subdivision 7;

(23) to the Department of Education for the purpose of matching Department of Education student data with public assistance data to determine students eligible for free and reduced price meals, meal supplements, and free milk according to United States Code, title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state funds that are distributed based on income of the student's family; and to verify receipt of energy assistance for the telephone assistance plan;

(24) the current address and telephone number of program recipients and emergency contacts may be released to the commissioner of health or a local board of health as defined in section 145A.02, subdivision 2, when the commissioner or local board of health has reason to believe that a program recipient is a disease case, carrier, suspect case, or at risk of illness, and the data are necessary to locate the person;

(25) to other state agencies, statewide systems, and political subdivisions of this state, including the attorney general, and agencies of other states, interstate information networks, federal agencies, and other entities as required by federal regulation or law for the administration of the child support enforcement program;

(26) to personnel of public assistance programs as defined in section 256.741, for access to the child support system database for the purpose of administration, including monitoring and evaluation of those public assistance programs;

(27) to monitor and evaluate the Minnesota family investment program by exchanging data between the Departments of Human Services and Education, on recipients and former recipients of food support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

(28) to evaluate child support program performance and to identify and prevent fraud in the child support program by exchanging data between the Department of Human Services, Department of Revenue under section 270B.14, subdivision 1, paragraphs (a) and (b), without regard to the limitation of use in paragraph (c), Department of Health, Department of Employment and Economic Development, and other state agencies as is reasonably necessary to perform these functions; ~~or~~

(29) counties operating child care assistance programs under chapter 119B may disseminate data on program participants, applicants, and providers to the commissioner of education; ~~or~~

(30) pursuant to section 256L.02, subdivision 6, between the welfare system and the Minnesota Health Insurance Exchange, under section 62A.67, in order to enroll and collect premiums from individuals in the MinnesotaCare program under chapter 256L and to administer the individual's and their families' participation in the program.

(b) Information on persons who have been treated for drug or alcohol abuse may only be disclosed according to the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16), (17), or (18), or paragraph (b), are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).



(d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but is not subject to the access provisions of subdivision 10, paragraph (b).

For the purposes of this subdivision, a request will be deemed to be made in writing if made through a computer interface system.

Sec. 2. **[62A.67] MINNESOTA HEALTH INSURANCE EXCHANGE.**

Subdivision 1. Title; citation. This section may be cited as the "Minnesota Health Insurance Exchange."

Subd. 2. Creation; tax exemption. The Minnesota Health Insurance Exchange is created for the limited purpose of providing individuals with greater access, choice, portability, and affordability of health insurance products. The Minnesota Health Insurance Exchange is a not-for-profit corporation under chapter 317A and section 501(c) of the Internal Revenue Code.

Subd. 3. Definitions. The following terms have the meanings given them unless otherwise provided in text.

(a) "Board" means the board of directors of the Minnesota Health Insurance Exchange under subdivision 13.

(b) "Commissioner" means:

(1) the commissioner of commerce for health insurers subject to the jurisdiction of the Department of Commerce;

(2) the commissioner of health for health insurers subject to the jurisdiction of the Department of Health; or

(3) either commissioner's designated representative.

(c) "Exchange" means the Minnesota Health Insurance Exchange.

(d) "HIPAA" means the Health Insurance Portability and Accountability Act of 1996.

(e) "Individual market health plans," unless otherwise specified, means individual market health plans defined in section 62A.011 and MinnesotaCare II products as defined in chapter 256L.

(f) "Section 125 Plan" means a Premium Only Plan under section 125 of the Internal Revenue Code.

Subd. 4. Insurer and health plan participation. All health plans as defined in section 62A.011, subdivision 3, issued or renewed in the individual market shall participate in the exchange. No health plans in the individual market may be issued or renewed outside of the exchange. Group health plans as defined in section 62A.10 shall not be offered through the exchange. Health plans offered through the Minnesota Comprehensive Health Association as defined in section 62E.10 are offered through the exchange to eligible enrollees as determined by the Minnesota Comprehensive Health Association. Health plans offered through MinnesotaCare and MinnesotaCare II under chapter 256L are offered through the exchange to eligible enrollees as determined by the commissioner of human services.

Subd. 5. Approval of health plans. No health plan may be offered through the exchange unless the commissioner has first certified that:

(1) the insurer seeking to offer the health plan is licensed to issue health insurance in the state; and

(2) the health plan meets the requirements of this section, and the health plan and the insurer are in compliance with all other applicable health insurance laws.

Subd. 6. **Individual market health plans.** Individual market health plans offered through the exchange continue to be regulated by the commissioner as specified in chapters 62A, 62C, 62D, 62E, 62Q, and 72A, and must include the following provisions that apply to all health plans issued or renewed through the exchange:

(1) premiums for children under the age of 19 shall not vary by age in the exchange; and

(2) premiums for children under the age of 19 must be excluded from rating factors requirements under section 62A.65, subdivision 3, paragraph (b).

Subd. 7. **MinnesotaCare II health plans.** Health plans approved for MinnesotaCare II under section 256L.075 shall be offered by participating insurers to exchange participants not enrolled in MinnesotaCare II.

Subd. 8. **Individual participation and eligibility.** Individuals are eligible to purchase health plans directly through the exchange or through an employer Section 125 Plan under section 62A.68. Nothing in this section requires guaranteed issue of individual market health plans offered through the exchange. Individuals are eligible to purchase individual market health plans through the exchange by meeting one or more of the following qualifications:

(1) the individual is a Minnesota resident, meaning the individual is physically residing on a permanent basis in a place that is the person's principal residence and from which the person is absent only for temporary purposes;

(2) the individual is a student attending an institution outside of Minnesota and maintains Minnesota residency;

(3) the individual is not a Minnesota resident but is employed by an employer physically located within the state and the individual's employer does not offer a group health insurance plan as defined in section 62A.10, but does offer a Section 125 Plan through the exchange under section 62A.68;

(4) the individual is not a Minnesota resident but is self-employed and the individual's principal place of business is in the state; or

(5) the individual is a dependent as defined in section 62L.02, of another individual who is eligible to participate in the exchange.

Subd. 9. **Continuation of coverage.** Enrollment in a health plan may be canceled for nonpayment of premiums, fraud, or changes in eligibility for MinnesotaCare under chapter 256L. Enrollment in an individual market health plan may not be canceled or renewed because of any change in employer or employment status, marital status, health status, age, residence, or any other change that does not affect eligibility as defined in this section.

Subd. 10. **Responsibilities of the exchange.** The exchange shall serve as the sole entity for enrollment and collection and transfer of premium payments for health plans offered through the exchange. The exchange shall be responsible for the following functions:

(1) publicize the exchange, including but not limited to its functions, eligibility rules, and enrollment procedures;

(2) provide assistance to employers to set up an employer Section 125 Plan under section 62A.68;

(3) create a system to allow individuals to compare and enroll in health plans offered through the exchange;

(4) create a system to collect and transmit to the applicable plans all premium payments or contributions made by or on behalf of individuals, including developing mechanisms to receive and process automatic payroll deductions for individuals enrolled in employer Section 125 Plans;

(5) refer individuals interested in MinnesotaCare or MinnesotaCare II under chapter 256L to the Department of Human Services to determine eligibility;

(6) establish a mechanism with the Department of Human Services to transfer premiums and subsidies for MinnesotaCare and MinnesotaCare II to qualify for federal matching payments;

(7) administer bonus accounts as defined in chapter 256L to reimburse MinnesotaCare II enrollees for qualified medical expenses under section 213(d) of the Internal Revenue Code;

(8) collect and assess information for eligibility for bonus accounts and premium incentives under chapter 256L;

(9) upon request, issue certificates of previous coverage according to the provisions of HIPAA and as referenced in section 62Q.181 to all such individuals who cease to be covered by a participating health plan through the exchange;

(10) establish procedures to account for all funds received and disbursed by the exchange for individual participants of the exchange; and

(11) make available to the public, at the end of each calendar year, a report of an independent audit of the exchange's accounts.

Subd. 11. **Powers of the exchange.** The exchange shall have the power to:

(1) contract with insurance producers licensed in accident and health insurance under chapter 60K and vendors to perform one or more of the functions specified in subdivision 10;

(2) contract with employers to act as the plan administrator for participating employer Section 125 Plans and to undertake the obligations required by federal law of a plan administrator;

(3) establish and assess fees on health plan premiums of health plans purchased through the exchange to fund the cost of administering the exchange;

(4) seek and directly receive grant funding from government agencies or private philanthropic organizations to defray the costs of operating the exchange;

(5) establish and administer rules and procedures governing the operations of the exchange;

(6) establish one or more service centers within Minnesota;

(7) sue or be sued or otherwise take any necessary or proper legal action;

(8) establish bank accounts and borrow money; and

(9) enter into agreements with the commissioners of commerce, health, human services, revenue, employment and economic development, and other state agencies as necessary for the exchange to implement the provisions of this section.

Subd. 12. **Dispute resolution.** The exchange shall establish procedures for resolving disputes with respect to the eligibility of an individual to participate in the exchange. The exchange does not have the authority or responsibility to intervene in or resolve disputes between an individual and a health plan or health insurer. The exchange shall refer complaints from individuals participating in the exchange to the commissioner of human services to be resolved according to sections 62Q.68 to 62Q.73.

Subd. 13. **Governance.** The exchange shall be governed by a board of directors with 11 members. The board shall convene on or before July 1, 2007, after the initial board members have been selected. The initial board membership consists of the following:

(1) the commissioner of commerce;

(2) the commissioner of human services;

(3) the commissioner of health;

(4) four members appointed by a joint committee of the Minnesota senate and the Minnesota house of representatives to serve three-year terms; and

(5) four members appointed by the governor to serve three-year terms.

Subd. 14. **Subsequent board membership.** Ongoing membership of the exchange consists of the following effective July 1, 2010:

(1) the commissioner of commerce;

(2) the commissioner of human services;

(3) the commissioner of health;

(4) four members appointed by the governor with the approval of a joint committee of the senate and house of representatives to serve two- or three-year terms. Appointed members may serve more than one term; and

(5) four members elected by the membership of the exchange of which two are elected to serve a two-year term and two are elected to serve a three-year term. Elected members may serve more than one term.

Subd. 15. **Operations of the board.** Officers of the board of directors are elected by members of the board and serve one-year terms. Six members of the board constitutes a quorum, and the affirmative vote of six members of the board is necessary and sufficient for any action taken by the board. Board members serve without pay, but are reimbursed for actual expenses incurred in the performance of their duties.

Subd. 16. **Operations of the exchange.** The board of directors shall appoint an exchange director who shall:

(1) be a full-time employee of the exchange;

(2) administer all of the activities and contracts of the exchange; and

(3) hire and supervise the staff of the exchange.

Subd. 17. **Insurance producers.** When a producer licensed in accident and health insurance under chapter 60K enrolls an eligible individual in the exchange, the health plan chosen by an individual may pay the producer a commission.

Subd. 18. **Implementation.** Health plan coverage through the exchange begins on January 1, 2009. The exchange must be operational to assist employers and individuals by September 1, 2008, and be prepared for enrollment by December 1, 2008. Enrollees of individual market health plans, MinnesotaCare, and the Minnesota Comprehensive Health Association as of December 2, 2008, are automatically enrolled in the exchange on January 1, 2009, in the same health plan and at the same premium that they were enrolled as of December 2, 2008, subject to the provisions of this section. As of January 1, 2009, all enrollees of individual market health plans, MinnesotaCare, and the Minnesota Comprehensive Health Association shall make premium payments to the exchange.

Subd. 19. **Study of insurer issue requirements.** In consultation with the commissioners of commerce and health, the exchange shall study and make recommendations on rating requirements and risk adjustment mechanisms that could be implemented to facilitate increased enrollment in the exchange by employers and employees through employer Section 125 Plans. The exchange shall report study findings and recommendations to the chairs of house and senate committees having jurisdiction over commerce and health by January 15, 2011.

Sec. 3. **[62A.68] SECTION 125 PLANS.**

Subdivision 1. **Definitions.** The following terms have the meanings given unless otherwise provided in text:

(a) "Current employee" means an employee currently on an employer's payroll other than a retiree or disabled former employee.

(b) "Employer" means a person, firm, corporation, partnership, association, business trust, or other entity employing one or more persons, including a political subdivision of the state, filing payroll tax information on such employed person or persons.

(c) "Section 125 Plan" means a Premium Only Plan under section 125 of the Internal Revenue Code.

(d) "Exchange" means the Minnesota Health Insurance Exchange under section 62A.67.

(e) "Exchange director" means the appointed director under section 62A.67, subdivision 16.

Subd. 2. **Section 125 Plan requirement.** Effective January 1, 2009, all employers with 11 or more current employees shall offer a Section 125 Plan through the exchange to allow their employees to pay for health insurance premiums with pretax dollars. The following employers are exempt from the Section 125 Plan requirement:

(1) employers that offer a group health insurance plan as defined in 62A.10;

(2) employers that offer group health insurance through a self-insured plan as defined in section 62E.02; and

(3) employers with fewer than 11 current employees, except that employers under this clause may voluntarily offer a Section 125 Plan.

Subd. 3. **Tracking compliance.** By July 1, 2008, the exchange, in consultation with the commissioners of commerce, health, employment and economic development, and revenue shall establish a method for tracking employer compliance with the Section 125 Plan requirement.

Subd. 4. **Employer requirements.** Employers that are required to offer or choose to offer a Section 125 Plan through the exchange shall enter into an annual binding agreement with the exchange, which includes the terms in paragraphs (a) to (h).

(a) The employer shall designate the exchange director to be the plan's administrator for the employer's plan and the exchange director agrees to undertake the obligations required of a plan administrator under federal law.

(b) Only the coverage and benefits offered by participating insurers in the exchange constitutes the coverage and benefits of the participating employer plan.

(c) Any individual eligible to participate in the exchange may elect coverage under any participating health plan for which they are eligible, and neither the employer nor the exchange shall limit choice of coverage from among all the participating insurance plans for which the individual is eligible.

(d) The employer shall deduct premium amounts on a pretax basis in an amount not to exceed an employee's wages and make payments to the exchange as directed by employees for health plans employees enroll in through the exchange.

(e) The employer shall not offer individuals eligible to participate in the exchange any separate or competing group health plan under section 62A.10.

(f) The employer reserves the right to determine the terms and amounts of the employer's contribution to the plan, if any.

(g) The employer shall make available to the exchange any of the employer's documents, records, or information, including copies of the employer's federal and state tax and wage reports that are necessary for the exchange to verify:

(1) that the employer is in compliance with the terms of its agreement with the exchange governing the participating employer plan;

(2) that the participating employer plan is in compliance with applicable state and federal laws, including those relating to nondiscrimination in coverage; and

(3) the eligibility of those individuals enrolled in the participating employer plan.

(h) The exchange shall not provide the participating employer plan with any additional or different services or benefits not otherwise provided or offered to all other participating employer plans.

Subd. 5. **Section 125 eligible health plans.** Individuals eligible to enroll in health plans through an employer Section 125 Plan through the exchange may enroll in any health plan offered through the exchange for which the individual is eligible including individual market health plans, MinnesotaCare and MinnesotaCare II, and the Minnesota Comprehensive Health Association.

Sec. 4. Minnesota Statutes 2006, section 62E.141, is amended to read:

**62E.141 INCLUSION IN EMPLOYER-SPONSORED PLAN.**

No employee of an employer that offers a group health plan, under which the employee is eligible for coverage, is eligible to enroll, or continue to be enrolled, in the comprehensive health association, except for enrollment or continued enrollment necessary to cover conditions that are subject to an unexpired preexisting condition limitation,

preexisting condition exclusion, or exclusionary rider under the employer's health plan. This section does not apply to persons enrolled in the Comprehensive Health Association as of June 30, 1993. With respect to persons eligible to enroll in the health plan of an employer that has more than 29 current employees, as defined in section 62L.02, this section does not apply to persons enrolled in the Comprehensive Health Association as of December 31, 1994.

Sec. 5. Minnesota Statutes 2006, section 62L.12, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) A health carrier may sell, issue, or renew individual conversion policies to eligible employees otherwise eligible for conversion coverage under section 62D.104 as a result of leaving a health maintenance organization's service area.

(b) A health carrier may sell, issue, or renew individual conversion policies to eligible employees otherwise eligible for conversion coverage as a result of the expiration of any continuation of group coverage required under sections 62A.146, 62A.17, 62A.21, 62C.142, 62D.101, and 62D.105.

(c) A health carrier may sell, issue, or renew conversion policies under section 62E.16 to eligible employees.

(d) A health carrier may sell, issue, or renew individual continuation policies to eligible employees as required.

(e) A health carrier may sell, issue, or renew individual health plans if the coverage is appropriate due to an unexpired preexisting condition limitation or exclusion applicable to the person under the employer's group health plan or due to the person's need for health care services not covered under the employer's group health plan.

(f) A health carrier may sell, issue, or renew an individual health plan, if the individual has elected to buy the individual health plan not as part of a general plan to substitute individual health plans for a group health plan nor as a result of any violation of subdivision 3 or 4.

(g) Nothing in this subdivision relieves a health carrier of any obligation to provide continuation or conversion coverage otherwise required under federal or state law.

(h) Nothing in this chapter restricts the offer, sale, issuance, or renewal of coverage issued as a supplement to Medicare under sections 62A.3099 to 62A.44, or policies or contracts that supplement Medicare issued by health maintenance organizations, or those contracts governed by sections 1833, 1851 to 1859, 1860D, or 1876 of the federal Social Security Act, United States Code, title 42, section 1395 et seq., as amended.

(i) Nothing in this chapter restricts the offer, sale, issuance, or renewal of individual health plans necessary to comply with a court order.

(j) A health carrier may offer, issue, sell, or renew an individual health plan to persons eligible for an employer group health plan, if the individual health plan is a high deductible health plan for use in connection with an existing health savings account, in compliance with the Internal Revenue Code, section 223. In that situation, the same or a different health carrier may offer, issue, sell, or renew a group health plan to cover the other eligible employees in the group.

(k) A health carrier may offer, sell, issue, or renew an individual health plan to one or more employees of a small employer if the individual health plan is marketed directly to all employees of the small employer and the small employer does not contribute directly or indirectly to the premiums or facilitate the administration of the individual health plan. The requirement to market an individual health plan to all employees does not require the health carrier to offer or issue an individual health plan to any employee. For purposes of this paragraph, an employer is not contributing to the premiums or facilitating the administration of the individual health plan if the employer does not contribute to the premium and merely collects the premiums from an employee's wages or salary through payroll

deductions and submits payment for the premiums of one or more employees in a lump sum to the health carrier. Except for coverage under section 62A.65, subdivision 5, paragraph (b), or 62E.16, at the request of an employee, the health carrier may bill the employer for the premiums payable by the employee, provided that the employer is not liable for payment except from payroll deductions for that purpose. If an employer is submitting payments under this paragraph, the health carrier shall provide a cancellation notice directly to the primary insured at least ten days prior to termination of coverage for nonpayment of premium. Individual coverage under this paragraph may be offered only if the small employer has not provided coverage under section 62L.03 to the employees within the past 12 months.

The employer must provide a written and signed statement to the health carrier that the employer is not contributing directly or indirectly to the employee's premiums. The health carrier may rely on the employer's statement and is not required to guarantee-issue individual health plans to the employer's other current or future employees.

(l) Nothing in this chapter restricts the offer, sale, issuance, or renewal of individual health plans through the Minnesota Health Insurance Exchange under section 62A.67 or 62A.68.

Sec. 6. **[256.962] MINNESOTA HEALTH CARE PROGRAMS OUTREACH.**

Subdivision 1. **Public awareness and education.** The commissioner shall design and implement a statewide campaign to raise public awareness on the availability of health coverage through medical assistance, general assistance medical care, and MinnesotaCare and to educate the public on the importance of obtaining and maintaining health care coverage. The campaign shall include multimedia messages directed to the general population.

Subd. 2. **Outreach grants.** (a) The commissioner shall award grants to public and private organizations or regional collaboratives for outreach activities, including, but not limited to:

(1) providing information, applications, and assistance in obtaining coverage through Minnesota public health care programs;

(2) collaborating with public and private entities such as hospitals, providers, health plans, legal aid offices, pharmacies, insurance agencies, and faith-based organizations to develop outreach activities and partnerships to ensure the distribution of information and applications and provide assistance in obtaining coverage through Minnesota health care programs; and

(3) providing or collaborating with public and private entities to provide multilingual and culturally specific information and assistance to applicants in areas of high uninsurance in the state or populations with high rates of uninsurance.

(b) The commissioner shall ensure that all outreach materials are available in languages other than English.

(c) The commissioner shall establish an outreach trainer program to provide training to designated individuals from the community and public and private entities on application assistance in order for these individuals to provide training to others in the community on an as-needed basis.

Subd. 3. **Application and assistance.** (a) The Minnesota health care programs application must be made available at provider offices, local human services agencies, school districts, public and private elementary schools in which 25 percent or more of the students receive free or reduced price lunches, community health offices,



Women, Infants and Children (WIC) program sites, Head Start program sites, public housing councils, child care centers, early childhood education and preschool program sites, legal aid offices, and libraries. The commissioner shall ensure that applications are available in languages other than English.

(b) Local human service agencies, hospitals, and health care community clinics receiving state funds must provide direct assistance in completing the application form, including the free use of a copy machine and a drop box for applications. These locations must ensure that the drop box is checked at least weekly and any applications are submitted to the commissioner. The commissioner shall provide these entities with an identification number to stamp on each application to identify the entity that provided assistance. Other locations where applications are required to be available shall either provide direct assistance in completing the application form or provide information on where an applicant can receive application assistance.

(c) Counties must offer applications and application assistance when providing child support collection services.

(d) Local public health agencies and counties that provide immunization clinics must offer applications and application assistance during these clinics.

(e) The commissioner shall coordinate with the commissioner of health to ensure that maternal and child health outreach efforts include information on Minnesota health care programs and application assistance, when needed.

Subd. 4. **Statewide toll-free telephone number.** The commissioner shall provide funds for a statewide toll-free telephone number to provide information on public and private health coverage options and sources of free and low-cost health care. The statewide telephone number must provide the option of obtaining this information in languages other than English.

Subd. 5. **Incentive program.** The commissioner shall establish an incentive program for organizations that directly identify and assist potential enrollees in filling out and submitting an application. For each applicant who is successfully enrolled in MinnesotaCare, medical assistance, or general assistance medical care, the commissioner shall pay the organization a \$25 application assistance bonus. The organization may provide an applicant a gift certificate or other incentive upon enrollment.

Subd. 6. **School districts.** (a) At the beginning of each school year, a school district shall provide information to each student on the availability of health care coverage through the Minnesota health care programs.

(b) For each child who is determined to be eligible for a free or reduced priced lunch, the district shall provide the child's family with an application for the Minnesota health care programs and information on how to obtain application assistance.

(c) A district shall also ensure that applications and information on application assistance are available at early childhood education sites and public schools located within the district's jurisdiction.

(d) Each district shall designate an enrollment specialist to provide application assistance and follow-up services with families who are eligible for the reduced or free lunch program or who have indicated an interest in receiving information or an application for the Minnesota health care program.

(e) Each school district shall provide on their Web site a link to information on how to obtain an application and application assistance.

Subd. 7. **Renewal notice.** (a) The commissioner shall mail a renewal notice to enrollees notifying the enrollees that the enrollees eligibility must be renewed. A notice shall be sent at least 90 days prior to the renewal date and at least 60 days prior to the renewal date.

(b) For enrollees who are receiving services through managed care plans, the managed care plan must provide a follow-up renewal call at least 60 days prior to the enrollees' renewal dates.

(c) The commissioner shall include the end of coverage dates on the monthly rosters of enrollees provided to managed care organizations.

Sec. 7. Minnesota Statutes 2006, section 256B.057, subdivision 8, is amended to read:

Subd. 8. **Children under age two.** Medical assistance may be paid for a child under two years of age whose countable family income is above 275 percent of the federal poverty guidelines for the same size family but less than or equal to ~~280~~ 305 percent of the federal poverty guidelines for the same size family.

**EFFECTIVE DATE.** This section is effective January 1, 2009, or upon federal approval, whichever is later. The commissioner of human services shall notify the Office of the Revisor of Statutes when federal approval is obtained.

Sec. 8. Minnesota Statutes 2006, section 256L.02, subdivision 3, is amended to read:

Subd. 3. **Financial management.** (a) The commissioner shall manage spending for the MinnesotaCare program in a manner that maintains a minimum reserve. As part of each state revenue and expenditure forecast, the commissioner must make an assessment of the expected expenditures for the covered services for the remainder of the current biennium and for the following biennium. The estimated expenditure, including the reserve, shall be compared to an estimate of the revenues that will be available in the health care access fund. Based on this comparison, and after consulting with the chairs of the house Ways and Means Committee and the senate Finance Committee, and the Legislative Commission on Health Care Access, the commissioner shall, as necessary, make the adjustments specified in paragraph (b) to ensure that expenditures remain within the limits of available revenues for the remainder of the current biennium and for the following biennium. The commissioner shall not hire additional staff using appropriations from the health care access fund until the commissioner of finance makes a determination that the adjustments implemented under paragraph (b) are sufficient to allow MinnesotaCare expenditures to remain within the limits of available revenues for the remainder of the current biennium and for the following biennium.

(b) The adjustments the commissioner shall use must be implemented in this order: first, stop enrollment of single adults and households without children; second, upon 45 days' notice, stop coverage of single adults and households without children already enrolled in the MinnesotaCare program; third, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income above 200 percent of the federal poverty guidelines; fourth, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income at or below 200 percent; and fifth, require applicants to be uninsured for at least six months prior to eligibility in the MinnesotaCare program. If these measures are insufficient to limit the expenditures to the estimated amount of revenue, the commissioner shall further limit enrollment or decrease premium subsidies.

(c) The commissioner shall work in cooperation with the Minnesota Health Insurance Exchange under section 62A.67 to make adjustments under paragraph (b) as required under this subdivision.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 9. Minnesota Statutes 2006, section 256L.02, is amended by adding a subdivision to read:

Subd. 5. **Enrollment responsibilities.** According to section 256L.05, subdivision 6, effective January 1, 2009, the Minnesota Health Insurance Exchange under section 62A.67 shall assume responsibility for enrolling eligible applicants and enrollees in a health plan for MinnesotaCare coverage. The commissioner shall maintain responsibility for determining eligibility for MinnesotaCare.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 10. Minnesota Statutes 2006, section 256L.02, is amended by adding a subdivision to read:

Subd. 6. **Exchange of data.** An entity that is part of the welfare system as defined in section 13.46, subdivision 1, paragraph (c), and the Minnesota Health Insurance Exchange under section 62A.67 may exchange private data about individuals without the individual's consent in order to enroll and collect premiums from individuals in the MinnesotaCare program under chapter 256L and to administer the individual's and the individual's family's participation in the program. This subdivision only applies if the entity that is part of the welfare system and the Minnesota Health Insurance Exchange have entered into an agreement that complies with the requirements in Code of Federal Regulations, title 45, section 164.314.

Sec. 11. Minnesota Statutes 2006, section 256L.04, subdivision 1, is amended to read:

Subdivision 1. **Families with children.** (a) A child in a family with family income equal to or less than 300 percent of the federal poverty guidelines for the applicable family size is eligible for MinnesotaCare under this section. Adults in families with children with family income equal to or less than 275 percent of the federal poverty guidelines for the applicable family size shall be eligible for MinnesotaCare according to this section. All other provisions of sections 256L.01 to 256L.18, including the insurance-related barriers to enrollment under section 256L.07, shall apply unless otherwise specified.

(b) Parents who enroll in the MinnesotaCare program must also enroll their children, if the children are eligible. Children may be enrolled separately without enrollment by parents. However, if one parent in the household enrolls, both parents must enroll, unless other insurance is available. If one child from a family is enrolled, all children must be enrolled, unless other insurance is available. If one spouse in a household enrolls, the other spouse in the household must also enroll, unless other insurance is available. Families cannot choose to enroll only certain uninsured members.

(c) Beginning October 1, 2003, the dependent sibling definition no longer applies to the MinnesotaCare program. These persons are no longer counted in the parental household and may apply as a separate household.

(d) Beginning July 1, 2003, or upon federal approval, whichever is later, parents are not eligible for MinnesotaCare if their gross income exceeds \$50,000.

**EFFECTIVE DATE.** This section is effective January 1, 2009, or upon federal approval, whichever is later. The commissioner of human services shall notify the Office of the Revisor of Statutes when federal approval is obtained.

Sec. 12. Minnesota Statutes 2006, section 256L.05, subdivision 5, is amended to read:

Subd. 5. **Availability of private insurance.** ~~(a) The commissioner, in consultation with the commissioners of health and commerce, shall provide information regarding the availability of private health insurance coverage and the possibility of disenrollment under section 256L.07, subdivision 1, paragraphs (b) and (c), to all: (1) families enrolled in the MinnesotaCare program whose gross family income is equal to or more than 225 percent of the federal poverty guidelines; and (2) single adults and households without children enrolled in the MinnesotaCare program whose gross family income is equal to or more than 165 percent of the federal poverty guidelines. This information must be provided Minnesota Health Insurance Exchange under section 62A.67 upon initial enrollment and annually thereafter. The commissioner shall also include information regarding the availability of private health insurance coverage in~~

(b) The notice of ineligibility provided to persons subject to disenrollment under section 256L.07, subdivision 1, paragraphs (b) and (c), must include information about assistance with identifying and selecting private health insurance coverage provided by the Minnesota Health Insurance Exchange under section 62A.67.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 13. Minnesota Statutes 2006, section 256L.05, is amended by adding a subdivision to read:

Subd. 6. **Minnesota Health Insurance Exchange.** The commissioner shall refer all MinnesotaCare applicants and enrollees to the Minnesota Health Insurance Exchange under section 62A.67. The Minnesota Health Insurance Exchange shall provide those referred with assistance in selecting a managed care plan through which to receive MinnesotaCare covered services and in analyzing health plans available through the private market. MinnesotaCare applicants and enrollees shall effect enrollment in a managed care plan or a private market health plan through the Minnesota Health Insurance Exchange.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 14. Minnesota Statutes 2006, section 256L.06, subdivision 3, is amended to read:

Subd. 3. **Commissioner's duties and payment.** (a) Premiums are dedicated to the commissioner for MinnesotaCare.

(b) The commissioner shall develop and implement procedures to: (1) require enrollees to report changes in income; (2) adjust sliding scale premium payments at the time of eligibility renewal, based upon both increases and decreases in enrollee income, ~~at the time the change in income is reported~~; and (3) disenroll enrollees from MinnesotaCare for failure to pay required premiums. Failure to pay includes payment with a dishonored check, a returned automatic bank withdrawal, or a refused credit card or debit card payment. The commissioner may demand a guaranteed form of payment, including a cashier's check or a money order, as the only means to replace a dishonored, returned, or refused payment.

(c) Premiums are calculated on a calendar month basis and may be paid on a monthly, quarterly, or semiannual basis, with the first payment due upon notice from the commissioner of the premium amount required. The commissioner shall inform applicants and enrollees of these premium payment options. Premium payment is required before enrollment is complete and to maintain eligibility in MinnesotaCare. Premium payments received before noon are credited the same day. Premium payments received after noon are credited on the next working day.

(d) Nonpayment of the premium will result in disenrollment from the plan effective for the calendar month for which the premium was due. Persons disenrolled for nonpayment or who voluntarily terminate coverage from the program may not reenroll until four calendar months have elapsed. Persons disenrolled for nonpayment who pay all past due premiums as well as current premiums due, including premiums due for the period of disenrollment, within 20 days of disenrollment, shall be reenrolled retroactively to the first day of disenrollment. Persons disenrolled for nonpayment or who voluntarily terminate coverage from the program may not reenroll for four calendar months unless the person demonstrates good cause for nonpayment. Good cause does not exist if a person chooses to pay other family expenses instead of the premium. The commissioner shall define good cause in rule.

**EFFECTIVE DATE.** This section is effective January 1, 2009, or upon federal approval, whichever is later. The commissioner shall notify the Office of the Revisor of Statutes when federal approval is obtained.

Sec. 15. **[256L.075] MINNESOTACARE II OPTION ESTABLISHED.**

Subdivision 1. **Program established; enrollment.** The Minnesota Health Insurance Exchange under section 62A.67, in consultation with the commissioner, shall establish and administer a program that subsidizes the purchase of private market health plans for children eligible for MinnesotaCare in families with family income above 200 percent, but not exceeding 300 percent, of the federal poverty guidelines. The program established under this section is referred to as MinnesotaCare II. The private market health coverage provided under this section is an alternative to coverage under section 256L.03. Notwithstanding section 256L.12, children obtaining coverage under

this section shall enroll in a health plan, as defined in section 62A.011, subdivision 3, through the individual market, that covers, at a minimum, the standard benefit set established in subdivision 2. Enrollment under this section is administered by the Minnesota Health Insurance Exchange. Eligibility under this section is determined by the commissioner. All other provisions of sections 256L.01 to 256L.18, including the insurance-related barriers to enrollment under section 256L.07, apply to this section unless otherwise specified.

Subd. 2. **Benefit set.** The Minnesota Health Insurance Exchange, in consultation with the commissioner, shall establish a standard benefit set for health plans that qualify for a subsidy under this section. The standard benefit set must be reviewed, and, if necessary, modified on an annual basis. Notwithstanding section 256L.03, subdivision 5, the benefit set may require co-payments, deductibles, and maximum annual out-of-pocket enrollee cost-sharing limits.

Subd. 3. **Health carrier participation.** (a) Health insurers with at least three percent of the market share of premium volume from individual market health plans as determined from loss ratio reports filed under section 62A.021, subdivision 1, paragraph (h), shall offer at least one health plan that covers the standard benefit set, or its actuarial equivalent as determined by the commissioner of commerce, to children enrolled under this section. Health issuers shall offer a health plan that covers the standard benefit set, without a subsidy, to adults so that families can enroll in a single plan. Health insurers that are not required to participate may participate voluntarily. The Minnesota Health Insurance Exchange shall certify those health plans that meet the standards in subdivision 2 and qualify for a subsidy under this section.

(b) Health insurers offering coverage under this section may offer up to three additional health plan products approved by the commissioner of commerce as actuarially equivalent or better than the standard plan established in subdivision 2. The additional products must also qualify for a subsidy if purchased to cover children eligible under this section.

(c) Nothing in this subdivision requires guaranteed issue of MinnesotaCare II health plans.

Subd. 4. **State subsidy; premium.** The cost of coverage for children enrolled under this section is subsidized based on a sliding scale. The amount of the subsidy provided for a child is equal to the cost of the least expensive health plan certified to participate under this section less an amount equal to one-half of the premium that would be paid for the child under section 256L.15, subdivision 2. The commissioner shall pay the subsidy to the Minnesota Health Insurance Exchange. The premium for a child enrolled under this section is equal to the difference between the cost of the health plan through which the coverage is provided and the amount of the subsidy. The premium must be paid to the Minnesota Health Insurance Exchange.

Subd. 5. **Enrollment; limitation on changing plans.** Notwithstanding section 256L.04, subdivision 1, individual children in a family may enroll under this section or under section 256L.03. A child enrolled under this section may change health plans or switch to coverage under section 256L.03 at the time of annual renewal. An enrollee may change health plans or switch to coverage under section 256L.03 at other times during the year if the family of the child experiences a qualifying life event, including, but not limited to, marriage, divorce, a change in dependent status, change in family size, or a change in eligibility for state health care programs under this chapter or chapter 256B or 256D.

Subd. 6. **Bonus accounts incentive.** The Minnesota Health Insurance Exchange shall administer bonus accounts for families with children enrolled under this section. Funds must be credited to a bonus account when a child covered under this section achieves specific goals for preventive services or healthy behaviors. Funds credited to an account can be used by a family to reimburse qualified medical expenses as defined in Internal Revenue Code, section 213(d). The commissioner, in consultation with the Minnesota Health Insurance Exchange, shall establish a schedule of preventive service and healthy behavior goals that qualify for a credit and corresponding credit amounts. Families with children enrolled under this section can qualify for credits of up to \$50 per year per child, up to a maximum of \$150 per year per family. Funds held in the account are available to a family until:

(1) there is no longer a child under age 21 in the family; or

(2) no child in the family has been enrolled under chapter 256B or 256L, or in a health plan through the Minnesota Health Insurance Exchange for the past six months.

Subd. 7. **Federal approval.** The commissioner shall seek all federal waivers and approvals necessary to implement and receive federal financial participation for expenditures under this section.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 16. Minnesota Statutes 2006, section 256L.12, subdivision 7, is amended to read:

Subd. 7. **Managed care plan vendor requirements.** The following requirements apply to all counties or vendors who contract with the Department of Human Services to serve MinnesotaCare recipients. Managed care plan contractors:

(1) shall authorize and arrange for the provision of the full range of services listed in section 256L.03 in order to ensure appropriate health care is delivered to enrollees;

(2) shall accept the prospective, per capita payment or other contractually defined payment from the commissioner in return for the provision and coordination of covered health care services for eligible individuals enrolled in the program;

(3) may contract with other health care and social service practitioners to provide services to enrollees;

(4) shall provide for an enrollee grievance process as required by the commissioner and set forth in the contract with the department;

(5) shall retain all revenue from enrollee co-payments;

(6) shall accept all eligible MinnesotaCare enrollees, without regard to health status or previous utilization of health services;

(7) shall demonstrate capacity to accept financial risk according to requirements specified in the contract with the department. A health maintenance organization licensed under chapter 62D, or a nonprofit health plan licensed under chapter 62C, is not required to demonstrate financial risk capacity, beyond that which is required to comply with chapters 62C and 62D; ~~and~~

(8) shall submit information as required by the commissioner, including data required for assessing enrollee satisfaction, quality of care, cost, and utilization of services; and

(9) shall participate in the Minnesota Health Insurance Exchange under section 62A.67 for the purpose of enrolling individuals under this chapter.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 17. Minnesota Statutes 2006, section 256L.15, subdivision 1a, is amended to read:

Subd. 1a. **Payment options.** (a) The commissioner may offer the following payment options to an enrollee:

(1) payment by check;

- (2) payment by credit card;
- (3) payment by recurring automatic checking withdrawal;
- (4) payment by onetime electronic transfer of funds;
- (5) payment by wage withholding with the consent of the employer and the employee; or
- (6) payment by using state tax refund payments.

At application or reapplication, a MinnesotaCare applicant or enrollee may authorize the commissioner to use the Revenue Recapture Act in chapter 270A to collect funds from the applicant's or enrollee's refund for the purposes of meeting all or part of the applicant's or enrollee's MinnesotaCare premium obligation. The applicant or enrollee may authorize the commissioner to apply for the state working family tax credit on behalf of the applicant or enrollee. The setoff due under this subdivision shall not be subject to the \$10 fee under section 270A.07, subdivision 1.

(b) Effective January 1, 2009, the Minnesota Health Insurance Exchange under section 62A.67 is responsible for collecting MinnesotaCare premiums.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 18. Minnesota Statutes 2006, section 256L.15, subdivision 2, is amended to read:

Subd. 2. **Sliding fee scale; monthly gross individual or family income.** (a) The commissioner shall establish a sliding fee scale to determine the percentage of monthly gross individual or family income that households at different income levels must pay to obtain coverage through the MinnesotaCare program. The sliding fee scale must be based on the enrollee's monthly gross individual or family income. The sliding fee scale must contain separate tables based on enrollment of one, two, or three or more persons. The sliding fee scale begins with a premium of 1.5 percent of monthly gross individual or family income for individuals or families with incomes below the limits for the medical assistance program for families and children in effect on January 1, 1999, and proceeds through the following evenly spaced steps: 1.8, 2.3, 3.1, 3.8, 4.8, 5.9, 7.4, and 8.8 percent. These percentages are matched to evenly spaced income steps ranging from the medical assistance income limit for families and children in effect on January 1, 1999, to 275 percent of the federal poverty guidelines for the applicable family size, up to a family size of five. The sliding fee scale for a family of five must be used for families of more than five. Effective October 1, 2003, the commissioner shall increase each percentage by 0.5 percentage points for enrollees with income greater than 100 percent but not exceeding 200 percent of the federal poverty guidelines and shall increase each percentage by 1.0 percentage points for families and children with incomes greater than 200 percent of the federal poverty guidelines. The sliding fee scale and percentages are not subject to the provisions of chapter 14. If a family or individual reports ~~increased~~ a change in income after enrollment, premiums shall not be adjusted ~~at the time the change in income is reported~~ until eligibility renewal.

(b) Beginning January 1, 2009, a new sliding fee scale premium schedule is established for children. The premium schedule for children must be used in conjunction with the premium schedule in paragraph (a) for adults to calculate a single MinnesotaCare premium for a family. The sliding fee scale begins with a premium of \$11 per child for households with incomes equal to or greater than 150 percent of the federal poverty guidelines. Premiums must be adjusted at evenly spaced income steps at increments of five percent of the federal poverty guidelines to a maximum premium of \$88 per child for households with incomes equal to 300 percent of the federal poverty guidelines. Premiums must be calculated for up to three children per family. Premiums for children must be adjusted annually at an amount that is proportional to the annual adjustment in premiums for adults. The sliding fee scale in this paragraph does not apply to children enrolled under section 256L.075.

~~(b)~~ (c) Children in families whose gross income is above ~~275~~ 300 percent of the federal poverty guidelines shall pay the maximum premium. The maximum premium is defined as a base charge for one, two, or three or more enrollees so that if all MinnesotaCare cases paid the maximum premium, the total revenue would equal the total cost of MinnesotaCare medical coverage and administration. In this calculation, administrative costs shall be assumed to equal ten percent of the total. The costs of medical coverage for pregnant women and children under age two and the enrollees in these groups shall be excluded from the total. The maximum premium for two enrollees shall be twice the maximum premium for one, and the maximum premium for three or more enrollees shall be three times the maximum premium for one.

~~(c) After calculating the percentage of premium each enrollee shall pay under paragraph (a), eight percent shall be added to the premium.~~

**EFFECTIVE DATE.** Paragraphs (a) and (b) are effective January 1, 2009, or upon federal approval, whichever is later. The commissioner shall notify the Office of the Revisor of Statutes when federal approval is obtained. Paragraph (c) is effective July 1, 2007.

Sec. 19. Minnesota Statutes 2006, section 256L.15, is amended by adding a subdivision to read:

Subd. 5. **Premium discount incentive.** Adults and families with children are eligible for a premium reduction of \$3 per month for each child who met goals for preventive care or an adult who met goals for cardiac or diabetes care in the previous calendar year. The maximum premium reduction may not exceed \$15 per month per family. The commissioner, in consultation with the Minnesota Health Insurance Exchange, shall establish specific goals for preventive care, including cardiac and diabetes care, that make an enrollee eligible for the premium reduction. The premium discount incentive is administered by the Minnesota Health Insurance Exchange under section 62A.67. Children enrolled under section 256L.075 are not eligible for the premium discount incentive.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 20. Minnesota Statutes 2006, section 295.52, is amended by adding a subdivision to read:

Subd. 8. **Contingent reduction in tax rate.** On September 1 of each odd-numbered year, beginning September 1, 2007, the commissioner of finance shall determine the projected balance of the health care access fund as of the end of the current biennium, based on the most recent February forecast adjusted for any legislative session changes. If the commissioner of finance projects a surplus in the health care access fund as of the end of the current biennium, the commissioner of finance, in consultation with the commissioner, shall reduce the tax rates specified in subdivisions 1, 1a, 2, 3, and 4 in one-tenth of one percent increments, making the largest reduction in tax rates consistent with ensuring that the health care access fund retains a surplus as of the end of the current biennium. The reduced tax rates take effect on the January 1 that immediately follows the September 1 on which the commissioner of finance determines the projected balance and remain in effect for two tax years. The tax rates specified in subdivisions 1, 1a, 2, 3, and 4 apply for subsequent tax years, unless the commissioner, based on a determination of the projected balance of the health care access fund made on September 1 of an odd-numbered year, reduces the tax rates. If the commissioner of finance does not project a surplus in the health care access fund as of the end of the current biennium, the tax rates specified in subdivisions 1, 1a, 2, 3, and 4 continue to apply. The commissioner of finance shall publish in the State Register by October 1 of each odd-numbered year the amount of tax to be imposed for the next two calendar years."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.



The question was taken on the Brod et al amendment and the roll was called. There were 47 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Finstad	Hoppe	Olson	Simpson
Anderson, B.	DeLaForest	Garofalo	Howes	Paulsen	Smith
Anderson, S.	Demmer	Gottwalt	Kohls	Peppin	Sviggum
Beard	Dettmer	Gunther	Lanning	Peterson, N.	Tingelstad
Berns	Eastlund	Hackbarth	Magnus	Ruth	Urdahl
Brod	Emmer	Hamilton	McFarlane	Seifert	Westrom
Buesgens	Erhardt	Heidgerken	McNamara	Severson	Zellers
Cornish	Erickson	Holberg	Nornes	Shimanski	

Those who voted in the negative were:

Anzelc	Eken	Jaros	Loeffler	Olin	Slocum
Atkins	Faust	Johnson	Madore	Otremba	Solberg
Benson	Fritz	Juhnke	Mahoney	Paymar	Swails
Bigham	Gardner	Kahn	Mariani	Pelowski	Thao
Bly	Greiling	Kalin	Marquart	Peterson, A.	Thissen
Brown	Hansen	Knuth	Masin	Peterson, S.	Tillberry
Brynaert	Hausman	Koenen	Moe	Poppe	Tschumper
Bunn	Haws	Kranz	Morgan	Rukavina	Wagenius
Clark	Hilstrom	Laine	Morrow	Ruud	Walker
Davnie	Hilty	Lenczewski	Mullery	Sailer	Ward
Dill	Hornstein	Lesch	Murphy, E.	Scalze	Welti
Dittrich	Hortman	Liebling	Murphy, M.	Sertich	Winkler
Dominguez	Hosch	Lieder	Nelson	Simon	Wollschlager
Doty	Huntley	Lillie	Norton	Slawik	Spk. Kelliher

The motion did not prevail and the amendment was not adopted.

#### CALL OF THE HOUSE

On the motion of Hoppe and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abeler	Clark	Erickson	Hilstrom	Koenen	Marquart
Anderson, B.	Cornish	Faust	Hilty	Kohls	Masin
Anderson, S.	Davnie	Finstad	Holberg	Kranz	McFarlane
Anzelc	Dean	Fritz	Hoppe	Laine	McNamara
Atkins	DeLaForest	Gardner	Hornstein	Lanning	Moe
Beard	Demmer	Garofalo	Hortman	Lenczewski	Morgan
Benson	Dettmer	Gottwalt	Hosch	Lesch	Morrow
Berns	Dill	Greiling	Howes	Liebling	Murphy, E.
Bigham	Dittrich	Gunther	Huntley	Lieder	Nelson
Bly	Dominguez	Hackbarth	Jaros	Lillie	Nornes
Brod	Doty	Hamilton	Johnson	Loeffler	Norton
Brown	Eastlund	Hansen	Juhnke	Madore	Olin
Brynaert	Eken	Hausman	Kahn	Magnus	Olson
Buesgens	Emmer	Haws	Kalin	Mahoney	Otremba
Bunn	Erhardt	Heidgerken	Knuth	Mariani	Paulsen

Paymar	Rukavina	Severson	Solberg	Tschumper	Winkler
Pelowski	Ruth	Shimanski	Sviggum	Urdahl	Wollschlager
Peppin	Ruud	Simon	Swails	Wagenius	Zellers
Peterson, A.	Sailer	Simpson	Thao	Walker	Spk. Kelliher
Peterson, N.	Scalze	Slawik	Thissen	Ward	
Peterson, S.	Seifert	Slocum	Tillberry	Walti	
Poppe	Sertich	Smith	Tingelstad	Westrom	

Seifert moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

The Speaker resumed the Chair.

Finstad; Kohls; Shimanski; Demmer; Nornes; Anderson, B.; Ruth; Peppin; Gottwalt; Hackbarth; Cornish; Erhardt; Erickson; Brod; Gunther; Beard; Sviggum; Peterson, N.; Seifert; McNamara; Wardlow; Simpson; Lanning; Eastlund; Tingelstad; Severson; Magnus; Paulsen; Dettmer; Westrom; Emmer; McFarlane and Berns moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 35, delete section 29 and insert:

"Sec. 29. Minnesota Statutes 2006, section 256J.021, is amended to read:

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

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

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

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

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

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

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

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

(d) Beginning March 1, 2008, the commissioner of human services shall treat MFIP expenditures made to or on behalf of any minor child under section 256J.02, subdivision 2, clause (1), who is part of a single eligible caregiver household that meets the criteria in section 256J.32, subdivision 6, clause (6), as expenditures under a separately funded state program. A household is no longer part of the separately funded program if the household no longer meets the criteria in section 256J.32, subdivision 6, clause (6), item (iv), or if it is determined at recertification that:

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

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

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

Page 36, delete section 30 and insert:

"Sec. 30. Minnesota Statutes 2006, section 256J.09, subdivision 3b, is amended to read:

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

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

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

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

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

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

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

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

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

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

Sec. 31. Minnesota Statutes 2006, section 256J.09, is amended by adding a subdivision to read:

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

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

Sec. 32. Minnesota Statutes 2006, section 256J.09, is amended by adding a subdivision to read:

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

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

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

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

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

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

Pages 36 to 40, delete section 31

Page 40, delete section 32 and insert:

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

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

- (1) presence of the minor child in the home, if questionable;
- (2) income, unless excluded, including self-employment expenses used as a deduction or deposits or withdrawals from business accounts;
- (3) assets when the value is within \$200 of the asset limit;
- (4) information to establish an exception under section 256J.24, subdivision 9, if questionable; ~~and~~
- (5) inconsistent information, if related to eligibility;
- (6) beginning March 1, 2008, whether a single eligible caregiver household meets requirements in items (i) to (iv) for inclusion in a separately funded state program under section 256J.021, paragraph (d):
  - (i) the assistance unit has used 24 or more months of MFIP assistance at recertification under this section;
  - (ii) the caregiver is not employed;
  - (iii) the caregiver is not meeting participation requirements under section 256J.55, subdivision 1, paragraph (d), clauses (1) and (2); and
  - (iv) the caregiver meets at least one of the following criteria:
    - (A) a qualified professional has determined the caregiver is unable to obtain or retain employment due to an illness, injury, or incapacity that is expected to last at least 60 days;
    - (B) a qualified professional has certified that the caregiver is required in the home to provide care for a family member, a relative in the household, or a foster child with an illness, injury, or incapacity that is expected to continue more than 60 days;
    - (C) a qualified professional has determined that the caregiver is needed in the home to care for a child or adult meeting the special medical criteria in section 256J.561, subdivision 2, paragraph (d), clause (3);
    - (D) a qualified professional has determined that the caregiver is pregnant and unable to obtain or retain employment for at least 60 days due to the pregnancy;
    - (E) the caregiver has a documented disability and has applied for supplemental security income or Social Security disability insurance and a determination is pending; and
    - (F) the caregiver qualifies for a family violence waiver under section 256J.545."

Page 41, after line 4, insert:

"Sec. 34. Minnesota Statutes 2006, section 256J.42, subdivision 6, is amended to read:

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

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

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

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

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

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

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

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

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

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

Pages 41 and 42, delete section 34

Page 42 and 43, delete section 35 and insert:

"Sec. 35. Minnesota Statutes 2006, section 256J.425, is amended by adding a subdivision to read:

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

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

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

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

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

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

(c) If a two-parent assistance unit is extended under subdivision 3 or 4, and a parent who has not reached the 60-month time limit is out of compliance with the requirements in sections 256J.45 or 256J.515 to 256J.57 when the case is extended, the sanction in the 61st month is considered the first sanction for the purposes of applying the sanctions in this subdivision, except that the sanction amount is reduced by 30 percent.

(d) If one or both participants in an assistance unit receiving assistance under this section refuses to cooperate, as determined by the child support agency, with support requirements under section 256J.41, the following sanctions apply:

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

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

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

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

(f) If the participant was sanctioned for:

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

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

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

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

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

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

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

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

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

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

Sec. 36. Minnesota Statutes 2006, section 256J.425, is amended by adding a subdivision to read:

Subd. 10. **Status of disqualified participants under simplified sanctions.** (a) Beginning July 1, 2008, an assistance unit that is disqualified under subdivision 9, paragraph (a), may be approved for MFIP if the participant complies with MFIP requirements and demonstrates compliance for up to one month. No assistance shall be paid during this period.

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

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

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

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

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

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

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

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

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

Pages 43 and 44, delete section 36 and insert:

"Sec. 36. Minnesota Statutes 2006, section 256J.46, is amended by adding a subdivision to read:

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

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



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

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

(e) For a second or third occurrence of noncompliance by a participant in an assistance unit, the assistance unit's shelter costs must be vendor paid up to the amount of the cash portion of the MFIP grant for which the assistance unit is eligible. At county option, the assistance unit's utilities may also be vendor paid up to the amount of the cash portion of the MFIP grant remaining after vendor payment of the assistance unit's shelter costs. The residual amount of the grant after vendor payment, if any, is reduced by an amount equal to 30 percent of the MFIP standard of need for an assistance unit of the same size before the residual grant is paid to the assistance unit. The reduction in the grant amount must be in effect for a minimum of one month and is removed in the month following the month that the participant in a one-parent assistance unit returns to compliance. In a two-parent assistance unit, the grant reduction must be in effect for a minimum of one month and is removed in the month following the month both participants return to compliance. The vendor payment of shelter costs and utilities must be removed six months after the month in which the participant or participants return to compliance. If an assistance unit is sanctioned under this paragraph, the participant's case file must be reviewed to determine if the employment plan is still appropriate.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 37. Minnesota Statutes 2006, section 256J.46, is amended by adding a subdivision to read:

Subd. 4. **Simplified sanctions for refusal to cooperate with support requirements.** Beginning July 1, 2008, an MFIP caregiver who refuses to cooperate, as determined by the child support enforcement agency, with support requirements under section 256.741, is subject to sanction under this subdivision and subdivision 1. For a first occurrence of noncooperation, the assistance unit's grant must be reduced by 30 percent of the applicable MFIP standard of need. Subsequent occurrences of noncooperation must be subject to sanction under subdivision 3, paragraphs (e) and (f). The residual amount of the grant, if any, is paid to the caregiver. A sanction under this subdivision becomes effective the first month following the month in which a required notice is given. A sanction is not imposed when a caregiver comes into compliance with the requirements under section 256.741 prior to the effective date of the sanction. The sanction is removed in the month following the month that the caregiver cooperates with the support requirements. Each month that an MFIP caregiver fails to comply with the requirements of section 256.741 is considered a separate occurrence of noncompliance for the purpose of applying sanctions under subdivision 3, paragraphs (e) and (f).

Sec. 38. Minnesota Statutes 2006, section 256J.46, is amended by adding a subdivision to read:

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

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

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

(2) noncooperation under subdivision 4 before being subject to sanction for noncompliance under subdivision 3.

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

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

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

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

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

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

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

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

Pages 44 and 45, delete section 37 and insert:

"Sec. 37. Minnesota Statutes 2006, section 256J.49, subdivision 13, is amended to read:

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

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

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

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

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

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

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

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

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

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

Sec. 38. Minnesota Statutes 2006, section 256J.50, subdivision 1, is amended to read:

Subdivision 1. **Employment and training services component of MFIP.** (a) Each county must develop and provide an employment and training services component which is designed to put participants on the most direct path to unsubsidized employment. Participation in these services is mandatory for all MFIP caregivers, ~~unless the caregiver is exempt under section 256J.56.~~

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

Pages 45 and 46, delete section 38

Pages 46 to 48, delete section 39

Page 48, delete section 40

Page 48, delete section 41 and insert:

"Sec. 41. Minnesota Statutes 2006, section 256J.531, is amended to read:

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

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

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

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

Pages 49 and 50, delete section 42

Pages 50 to 54, delete section 43 and insert:

"Sec. 43. Minnesota Statutes 2006, section 256J.626, subdivision 7, is amended to read:

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

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

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

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

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

~~(2) for calendar year 2008 2009 and yearly thereafter, a county or tribe that achieves a 50 percent MFIP TANF work participation rate under section 256J.751, subdivision 2, clause (8) (7), as averaged across the four quarterly measurements for the most recent year for which the measurements are available, will receive an additional allocation equal to 2.5 percent of its initial allocation; and~~

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

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

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

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

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

(3) for calendar years 2006 and thereafter, a tribe that performs within its range of expected performance on the annualized three-year self-support index under section 256J.751, subdivision 2, clause ~~(7)~~ (6), will receive an additional allocation equal to 2.5 percent of its initial allocation.

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

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

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

Sec. 44. Minnesota Statutes 2006, section 256J.626, is amended by adding a subdivision to read:

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

Sec. 45. **[256J.675] COMMUNITY SERVICE WORK EXPERIENCE.**

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

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

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

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

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

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

**Sec. 46. [256J.678] INJURY PROTECTION FOR COMMUNITY SERVICE WORK EXPERIENCE PARTICIPANTS.**

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

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

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

Subd. 4. **Requirements for worksites.** The department of the state, county agency, or tribal program responsible for supervising the work shall ensure that no participant is assigned to a worksite which is in violation of federal Occupational Safety and Health Administration and state Department of Labor and Industry safety standards or is under investigation to determine if those violations have occurred. All participants must be given the same safety information and training given to a paid employee performing similar work at that worksite."

Pages 54 and 55, delete section 44

Pages 55 and 56, delete section 45

Pages 56 and 57, delete sections 46 and 47

Pages 57 and 58, delete section 48

Pages 58 to 60, delete section 49

Pages 61 and 62, delete section 52

Page 62, after line 33, insert:

"Sec. 54. Minnesota Statutes 2006, section 256J.95, subdivision 15, is amended to read:

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

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

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

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

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

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

Page 115, line 21, delete "sections" and insert "section" and delete everything after "256J.29" and insert "is repealed."

Page 115, delete line 22

Page 115, after line 24, insert:

"Sec. 99. **REPEALER.**

Minnesota Statutes 2006, sections 256J.67; and 256J.68, are repealed effective

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

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

Page 231, line 27, delete "three" and insert "five"

Page 231, line 30, delete "three" and insert "five"

Page 477, line 22, delete "\$4,269,000" and insert "\$9,912,000" and delete "and"

Page 477, line 23, delete "\$4,889,000." and insert "\$18,226,000.;"

Page 477, after line 23 insert:

"(3) fiscal year 2010, \$17,616,000; and

(4) fiscal year 2011, \$17,320,000."



Page 477, after line 25 insert:

**"TANF Transfer to Federal Child Care and Development Fund.** The following TANF fund amount is appropriated to the commissioner for the purposes of MFIP transition year child care under MFIP, Minnesota Statutes, section 119B.05:

(1) fiscal year 2008, \$5,643,000;

(2) fiscal year 2009, \$14,372,000;

(3) fiscal year 2010, \$17,616,000; and

(4) fiscal year 2011, \$17,320,000.

The commissioner shall authorize transfer of sufficient TANF funds to the federal Child Care and Development Fund to meet this appropriation and shall ensure that all transferred funds are expended according the federal Child Care and Development Fund regulations."

Renumber the sections in sequence and correct the internal references

Adjust fund totals accordingly

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Finstad et al amendment and the roll was called. There were 48 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Finstad	Hoppe	Nornes	Shimanski
Anderson, B.	DeLaForest	Garofalo	Howes	Olson	Simpson
Anderson, S.	Demmer	Gottwalt	Kohls	Otremba	Smith
Beard	Dettmer	Gunther	Lanning	Paulsen	Sviggum
Berns	Eastlund	Hackbarth	Magnus	Peppin	Tingelstad
Brod	Eken	Hamilton	McFarlane	Ruth	Urdahl
Buesgens	Emmer	Heidgerken	McNamara	Seifert	Westrom
Cornish	Erickson	Holberg	Morgan	Severson	Zellers

Those who voted in the negative were:

Anzelc	Brown	Dill	Faust	Hausman	Hortman
Atkins	Brynaert	Dittrich	Fritz	Haws	Hosch
Benson	Bunn	Dominguez	Gardner	Hilstrom	Huntley
Bigham	Clark	Doty	Greiling	Hilty	Jaros
Bly	Davnie	Erhardt	Hansen	Hornstein	Johnson

Juhnke	Liebling	Moe	Pelowski	Sertich	Tschumper
Kahn	Lieder	Morrow	Peterson, A.	Simon	Wagenius
Kalin	Lillie	Mullery	Peterson, N.	Slawik	Walker
Knuth	Loeffler	Murphy, E.	Peterson, S.	Slocum	Ward
Koenen	Madore	Murphy, M.	Poppe	Solberg	Welti
Kranz	Mahoney	Nelson	Rukavina	Swails	Winkler
Laine	Mariani	Norton	Ruud	Thao	Wollschlager
Lenczewski	Marquart	Olin	Sailer	Thissen	Spk. Kelliher
Lesch	Masin	Paymar	Scalze	Tillberry	

The motion did not prevail and the amendment was not adopted.

### CALL OF THE HOUSE LIFTED

DeLaForest moved that the call of the House be lifted. The motion prevailed and it was so ordered.

Eastlund was excused between the hours of 5:45 p.m. and 11:10 p.m.

Tschumper, Abeler, Juhnke and Magnus moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 466, after line 35, insert:

"Sec. 50. **WATER LEVEL STANDARDS.**

(a) Until the commissioner of health adopts rules setting the health risk limits required in paragraph (c), the health risk limit for all contaminants in private wells and public water systems must be the more stringent of the state standards or the federal standards determined by the United States Environmental Protection Agency.

(b) The legislature finds:

(1) the child-based standards became effective in 2001, under Minnesota Statutes, section 144.0751;

(2) Minnesota Statutes, section 103H.201, subdivision 3, requires the commissioner to update standards every four years; and

(3) the commissioner of health has not complied with Minnesota Statutes, section 103H.201, subdivision 3.

(c) By March 1, 2008, the commissioner of health must publish in the State Register notice of intent to adopt rules relating to health risk limits for commonly detected contaminants. The commissioner of health shall review current scientific information to establish health risk limits for commonly detected contaminants in groundwater and in private wells that provides a reasonable margin of safety to adequately protect the health of developing fetuses, infants, and children, in accordance with the requirements of section 144.0751. Nothing in paragraph (a) prohibits the commissioner from setting standards that are stricter than the federal standards."

Page 521, line 32, after the period, insert "Of this amount, \$100,000 in 2008 is for a study relating to water supply health risk limit standards under Minnesota Statutes, section 144.355. This is a onetime appropriation."

Amend the appropriations by the specified amount and correct the totals and the appropriations by fund accordingly.

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Correct the title numbers accordingly

McNamara moved to amend the Tschumper et al amendment to S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 1, line 7, after "state" insert "of Minnesota"

Page 1, line 13, delete "update" and insert "review"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 42 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dean	Finstad	Hoppe	Olson	Shimanski
Anderson, S.	DeLaForest	Garofalo	Howes	Paulsen	Simpson
Beard	Demmer	Gottwalt	Kohls	Peppin	Smith
Berns	Dettmer	Gunther	Lanning	Peterson, N.	Sviggum
Brod	Emmer	Hackbarth	McFarlane	Ruth	Westrom
Buesgens	Erhardt	Hamilton	McNamara	Seifert	Wollschlager
Cornish	Erickson	Holberg	Nornes	Severson	Zellers

Those who voted in the negative were:

Abeler	Eken	Jaros	Madore	Otremba	Swails
Anzelc	Faust	Johnson	Magnus	Paymar	Thao
Atkins	Fritz	Juhnke	Mahoney	Pelowski	Thissen
Benson	Gardner	Kahn	Mariani	Peterson, A.	Tillberry
Bigham	Greiling	Kalin	Marquart	Peterson, S.	Tingelstad
Bly	Hansen	Knuth	Masin	Poppe	Tschumper
Brown	Hausman	Koenen	Moe	Rukavina	Urdahl
Brynaert	Haws	Kranz	Morgan	Ruud	Wagenius
Bunn	Heidgerken	Laine	Morrow	Sailer	Walker
Clark	Hilstrom	Lenczewski	Mullery	Scalze	Ward
Davnie	Hilty	Lesch	Murphy, E.	Sertich	Welti
Dill	Hornstein	Liebling	Murphy, M.	Simon	Winkler
Dittrich	Hortman	Lieder	Nelson	Slawik	Spk. Kelliher
Dominguez	Hosch	Lillie	Norton	Slocum	
Doty	Huntley	Loeffler	Olin	Solberg	

The motion did not prevail and the amendment to the amendment was not adopted.

## POINT OF ORDER

Seifert raised a point of order pursuant to rule 4.03, relating to Ways and Means Committee; Budget Resolution; Effect on Expenditure and Revenue Bills that the Tschumper et al amendment was not in order. The Speaker ruled the point of order was not well taken and the Tschumper et al amendment was in order.

The question recurred on the Tschumper et al amendment to S. F. No. 2171, the third unofficial engrossment, as amended. The motion prevailed and the amendment was adopted.

Urdahl and Shimanski moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 35, delete section 29 and insert:

"Sec. 29. Minnesota Statutes 2006, section 256J.021, is amended to read:

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

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

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

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

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

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

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

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

(d) Beginning March 1, 2008, the commissioner of human services shall treat MFIP expenditures made to or on behalf of any minor child under section 256J.02, subdivision 2, clause (1), who is part of a single eligible caregiver household that meets the criteria in section 256J.32, subdivision 6, clause (6), as expenditures under a separately funded state program. A household is no longer part of the separately funded program if the household no longer meets the criteria in section 256J.32, subdivision 6, clause (6), item (iv), or if it is determined at recertification that:

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

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

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

Page 36, delete section 30 and insert:

"Sec. 30. Minnesota Statutes 2006, section 256J.09, subdivision 3b, is amended to read:

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

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

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

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

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

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

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

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

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

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

Sec. 31. Minnesota Statutes 2006, section 256J.09, is amended by adding a subdivision to read:

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

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

Sec. 32. Minnesota Statutes 2006, section 256J.09, is amended by adding a subdivision to read:

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

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

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

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

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

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

Pages 36 to 40, delete section 31

Page 40, delete section 32 and insert:

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

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

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

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

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

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

(5) inconsistent information, if related to eligibility;

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

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

(ii) the caregiver is not employed;

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

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

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

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

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

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

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

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

Page 41, after line 4, insert:

"Sec. 34. Minnesota Statutes 2006, section 256J.42, subdivision 6, is amended to read:

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

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

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

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

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

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

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

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

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

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

Pages 41 and 42, delete section 34

Pages 42 and 43, delete section 35 and insert:

"Sec. 35. Minnesota Statutes 2006, section 256J.425, is amended by adding a subdivision to read:

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

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

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

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

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

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

(c) If a two-parent assistance unit is extended under subdivision 3 or 4, and a parent who has not reached the 60-month time limit is out of compliance with the requirements in sections 256J.45 or 256J.515 to 256J.57 when the case is extended, the sanction in the 61st month is considered the first sanction for the purposes of applying the sanctions in this subdivision, except that the sanction amount is reduced by 30 percent.



(d) If one or both participants in an assistance unit receiving assistance under this section refuses to cooperate, as determined by the child support agency, with support requirements under section 256J.41, the following sanctions apply:

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

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

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

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

(f) If the participant was sanctioned for:

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

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

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

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

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

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

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

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

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

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

Sec. 36. Minnesota Statutes 2006, section 256J.425, is amended by adding a subdivision to read:

Subd. 10. **Status of disqualified participants under simplified sanctions.** (a) Beginning July 1, 2008, an assistance unit that is disqualified under subdivision 9, paragraph (a), may be approved for MFIP if the participant complies with MFIP requirements and demonstrates compliance for up to one month. No assistance shall be paid during this period.

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

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

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

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

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

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

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

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

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

Pages 43 and 44, delete section 36 and insert:

"Sec. 36. Minnesota Statutes 2006, section 256J.46, is amended by adding a subdivision to read:

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

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

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

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

(e) For a second or third occurrence of noncompliance by a participant in an assistance unit, the assistance unit's shelter costs must be vendor paid up to the amount of the cash portion of the MFIP grant for which the assistance unit is eligible. At county option, the assistance unit's utilities may also be vendor paid up to the amount of the cash portion of the MFIP grant remaining after vendor payment of the assistance unit's shelter costs. The residual amount of the grant after vendor payment, if any, is reduced by an amount equal to 30 percent of the MFIP standard of need for an assistance unit of the same size before the residual grant is paid to the assistance unit. The reduction in the grant amount must be in effect for a minimum of one month and is removed in the month following the month that the participant in a one-parent assistance unit returns to compliance. In a two-parent assistance unit, the grant reduction must be in effect for a minimum of one month and is removed in the month following the month both participants return to compliance. The vendor payment of shelter costs and utilities must be removed six months after the month in which the participant or participants return to compliance. If an assistance unit is sanctioned under this paragraph, the participant's case file must be reviewed to determine if the employment plan is still appropriate.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 37. Minnesota Statutes 2006, section 256J.46, is amended by adding a subdivision to read:

Subd. 4. **Simplified sanctions for refusal to cooperate with support requirements.** Beginning July 1, 2008, an MFIP caregiver who refuses to cooperate, as determined by the child support enforcement agency, with support requirements under section 256.741, is subject to sanction under this subdivision and subdivision 1. For a first occurrence of noncooperation, the assistance unit's grant must be reduced by 30 percent of the applicable MFIP standard of need. Subsequent occurrences of noncooperation must be subject to sanction under subdivision 3, paragraphs (e) and (f). The residual amount of the grant, if any, is paid to the caregiver. A sanction under this subdivision becomes effective the first month following the month in which a required notice is given. A sanction is not imposed when a caregiver comes into compliance with the requirements under section 256.741 prior to the effective date of the sanction. The sanction is removed in the month following the month that the caregiver cooperates with the support requirements. Each month that an MFIP caregiver fails to comply with the requirements of section 256.741 is considered a separate occurrence of noncompliance for the purpose of applying sanctions under subdivision 3, paragraphs (e) and (f).

Sec. 38. Minnesota Statutes 2006, section 256J.46, is amended by adding a subdivision to read:

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

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

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

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

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

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

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

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

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

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

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

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

Pages 44 and 45, delete section 37 and insert:

"Sec. 37. Minnesota Statutes 2006, section 256J.49, subdivision 13, is amended to read:

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

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

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

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

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

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

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

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

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

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

Sec. 38. Minnesota Statutes 2006, section 256J.50, subdivision 1, is amended to read:

Subdivision 1. **Employment and training services component of MFIP.** (a) Each county must develop and provide an employment and training services component which is designed to put participants on the most direct path to unsubsidized employment. Participation in these services is mandatory for all MFIP caregivers, ~~unless the caregiver is exempt under section 256J.56.~~

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

Pages 45 and 46, delete section 38

Pages 46 to 48, delete section 39

Page 48, delete section 40

Page 48, delete section 41 and insert:

"Sec. 41. Minnesota Statutes 2006, section 256J.531, is amended to read:

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

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

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

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

Pages 49 and 50, delete section 42

Pages 50 to 54, delete section 43 and insert:

"Sec. 43. Minnesota Statutes 2006, section 256J.626, subdivision 7, is amended to read:

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

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

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

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

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

(2) for calendar year 2008 2009 and yearly thereafter, a county or tribe that achieves a 50 percent MFIP TANF work participation rate under section 256J.751, subdivision 2, clause (8) (7), as averaged across the four quarterly measurements for the most recent year for which the measurements are available, will receive an additional allocation equal to 2.5 percent of its initial allocation; and

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

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

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

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

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

(3) for calendar years 2006 and thereafter, a tribe that performs within its range of expected performance on the annualized three-year self-support index under section 256J.751, subdivision 2, clause ~~(7)~~ (6), will receive an additional allocation equal to 2.5 percent of its initial allocation.

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

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

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

Sec. 44. Minnesota Statutes 2006, section 256J.626, is amended by adding a subdivision to read:

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

Sec. 45. **[256J.675] COMMUNITY SERVICE WORK EXPERIENCE.**

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

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

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

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

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



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

**Sec. 46. [256J.678] INJURY PROTECTION FOR COMMUNITY SERVICE WORK EXPERIENCE PARTICIPANTS.**

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

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

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

Subd. 4. **Requirements for worksites.** The department of the state, county agency, or tribal program responsible for supervising the work shall ensure that no participant is assigned to a worksite which is in violation of federal Occupational Safety and Health Administration and state Department of Labor and Industry safety standards or is under investigation to determine if those violations have occurred. All participants must be given the same safety information and training given to a paid employee performing similar work at that worksite."

Pages 54 and 55, delete section 44

Pages 55 and 56, delete section 45

Pages 56 and 57, delete sections 46 and 47

Pages 57 and 58, delete section 48

Pages 58 to 60, delete section 49

Page 61 and 62, delete section 52

Page 62, after line 33, insert:

"Sec. 54. Minnesota Statutes 2006, section 256J.95, subdivision 15, is amended to read:

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

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

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

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

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

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

Page 115, line 21, delete "sections" and insert "section" and delete everything after "256J.29" and insert "is repealed."

Page 115, delete line 22

Page 115, after line 24, insert:

"Sec. 99. **REPEALER.**

Minnesota Statutes 2006, sections 256J.67; and 256J.68, are repealed effective

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

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

Page 234, after line 15, insert:

"Sec. 64. Minnesota Statutes 2006, section 256B.434, is amended by adding a subdivision to read:

Subd. 21. **Rate increase for nursing facilities.** Effective for rate years beginning October 1, 2007; October 1, 2008; and October 1, 2010, operating payment rates of all nursing facilities that are reimbursed under this section or section 256B.441 shall be increased to be equal, for a RUGS rate with a weight of 1.00, by up to four percent, but not to exceed, for the same RUGS weight, the rate of the facility at the 60th percentile of all nursing facilities in the state. The percentage of the operating payment rate for each facility to be case-mix adjusted shall be equal to the percentage that is case-mix adjusted in that facility's operating payment rate on the preceding September 30. This subdivision applies only if it results in a rate increase. Increases provided by this subdivision shall be added to the rate determined under any new reimbursement system established under section 256B.441."

Page 477, line 22, delete "\$4,269,000" and insert "\$10,969,000"

Page 477, line 23, delete "\$4,889,000" and insert "\$11,589,000"

Page 477, after line 25, insert:

**"TANF Transfer to Federal Child Care and Development Fund.** The following TANF fund amount is appropriated to the commissioner for the purposes of MFIP transition year child care under MFIP, Minnesota Statutes, section 119B.05:

(1) fiscal year 2008, \$5,643,000;

(2) fiscal year 2009, \$14,372,000;

(3) fiscal year 2010, \$17,616,000; and

(4) fiscal year 2011, \$17,320,000.

The commissioner shall authorize transfer of sufficient TANF funds to the federal Child Care and Development Fund to meet this appropriation and shall ensure that all transferred funds are expended according the federal Child Care and Development Fund regulations."

Renumber the sections in sequence and correct the internal references

Adjust fund totals accordingly

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Urdahl and Shimanski amendment and the roll was called. There were 34 yeas and 96 nays as follows:

Those who voted in the affirmative were:

Abeler	Dill	Gunther	Koenen	Otremba	Svigum
Anderson, B.	Eken	Hackbarth	Kohls	Ruth	Tingelstad
Brod	Emmer	Hamilton	Lanning	Seifert	Urdahl
Cornish	Erickson	Heidgerken	Magnus	Severson	Westrom
DeLaForest	Finstad	Holberg	Nornes	Shimanski	
Demmer	Gottwalt	Howes	Olson	Simpson	

Those who voted in the negative were:

Anderson, S.	Bigham	Clark	Doty	Greiling	Hoppe
Anzelc	Bly	Davnie	Erhardt	Hansen	Hornstein
Atkins	Brown	Dean	Faust	Hausman	Hortman
Beard	Brynaert	Dettmer	Fritz	Haws	Hosch
Benson	Buesgens	Dittrich	Gardner	Hilstrom	Huntley
Berns	Bunn	Dominguez	Garofalo	Hilty	Jaros

Johnson	Lieder	Moe	Paymar	Scalze	Tillberry
Juhnke	Lillie	Morgan	Pelowski	Sertich	Tschumper
Kahn	Loeffler	Morrow	Peppin	Simon	Wagenius
Kalin	Madore	Mullery	Peterson, A.	Slawik	Walker
Knuth	Mahoney	Murphy, E.	Peterson, N.	Slocum	Ward
Kranz	Mariani	Murphy, M.	Peterson, S.	Smith	Welti
Laine	Marquart	Nelson	Poppe	Solberg	Winkler
Lenczewski	Masin	Norton	Rukavina	Swails	Wollschlager
Lesch	McFarlane	Olin	Ruud	Thao	Zellers
Liebling	McNamara	Paulsen	Sailer	Thissen	Spk. Kelliher

The motion did not prevail and the amendment was not adopted.

The Speaker called Hausman to the Chair.

Olson, Erickson and Anderson, B., moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 421, line 12, before "and" insert "health care rationing; the doctor-patient relationship; customized medical treatment; patient privacy."

Page 421, line 14, after the period, insert "The commissioner shall include a definition of the terms "quality of care" and "access to care" to provide uniform understanding of the study's findings."

Huntley moved to amend the Olson et al amendment to S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 1, delete lines 3 and 4

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 83 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Anzelc	Faust	Johnson	Madore	Otremba	Solberg
Atkins	Fritz	Juhnke	Mahoney	Paymar	Swails
Benson	Gardner	Kahn	Mariani	Pelowski	Thao
Bigham	Greiling	Kalin	Marquart	Peterson, A.	Thissen
Bly	Hansen	Knuth	Masin	Peterson, S.	Tillberry
Brown	Hausman	Koenen	Moe	Poppe	Tschumper
Brynaert	Haws	Kranz	Morgan	Rukavina	Wagenius
Bunn	Hilstrom	Laine	Morrow	Ruud	Walker
Clark	Hilty	Lenczewski	Mullery	Sailer	Ward
Davnie	Hornstein	Lesch	Murphy, E.	Scalze	Welti
Dittrich	Hortman	Liebling	Murphy, M.	Sertich	Winkler
Dominguez	Hosch	Lieder	Nelson	Simon	Wollschlager
Doty	Huntley	Lillie	Norton	Slawik	Spk. Kelliher
Eken	Jaros	Loeffler	Olin	Slocum	

Those who voted in the negative were:

Abeler	Dean	Finstad	Hoppe	Olson	Simpson
Anderson, B.	DeLaForest	Garofalo	Howes	Paulsen	Smith
Anderson, S.	Demmer	Gottwalt	Kohls	Peppin	Sviggum
Beard	Dettmer	Gunther	Lanning	Peterson, N.	Tingelstad
Berns	Dill	Hackbarth	Magnus	Ruth	Urdahl
Brod	Emmer	Hamilton	McFarlane	Seifert	Westrom
Buesgens	Erhardt	Heidgerken	McNamara	Severson	Zellers
Cornish	Erickson	Holberg	Nornes	Shimanski	

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Olson et al amendment, as amended, to S. F. No. 2171, the third unofficial engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

Olson, Erickson and Anderson, B., moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 416, line 21, after the period, insert "The commissioners shall include a definition of the term "quality" for uniform understanding of the plan's impact."

The motion prevailed and the amendment was adopted.

Anderson, B., and Olson moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Pages 467 and 468, delete section 53

Page 520, line 18, delete "\$6,035,000" and insert "\$6,080,000"

Page 522, delete lines 9 to 13

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Anderson, B., and Olson amendment and the roll was called. There were 50 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Berns	Cornish	Demmer	Erickson	Garofalo
Anderson, S.	Brod	Dean	Dettmer	Finstad	Gottwalt
Beard	Buesgens	DeLaForest	Emmer	Gardner	Gunther

Hackbarth	Koenen	Nornes	Rukavina	Smith	Westrom
Hamilton	Kohls	Norton	Ruth	Sviggum	Zellers
Heidgerken	Lanning	Olson	Seifert	Swails	
Holberg	Magnus	Paulsen	Severson	Tingelstad	
Hoppe	McFarlane	Peppin	Shimanski	Urdahl	
Howes	McNamara	Peterson, N.	Simpson	Welti	

Those who voted in the negative were:

Abeler	Doty	Huntley	Loeffler	Paymar	Thissen
Anzelc	Eken	Jaros	Madore	Pelowski	Tillberry
Atkins	Erhardt	Johnson	Mariani	Peterson, A.	Tschumper
Benson	Faust	Juhnke	Marquart	Peterson, S.	Wagenius
Bigham	Fritz	Kahn	Masin	Poppe	Walker
Bly	Greiling	Kalin	Moe	Ruud	Ward
Brown	Hansen	Knuth	Morgan	Sailer	Winkler
Brynaert	Hausman	Kranz	Morrow	Scalze	Wollschlager
Bunn	Haws	Laine	Mullery	Sertich	Spk. Kelliher
Clark	Hilstrom	Lenczewski	Murphy, E.	Simon	
Davnie	Hilty	Lesch	Murphy, M.	Slawik	
Dill	Hornstein	Liebling	Nelson	Slocum	
Dittrich	Hortman	Lieder	Olin	Solberg	
Dominguez	Hosch	Lillie	Otremba	Thao	

The motion did not prevail and the amendment was not adopted.

Olson, Erickson and Anderson, B., moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Pages 311 to 314, delete section 23

Pages 321 and 322, delete section 40

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Olson et al amendment and the roll was called. There were 39 yeas and 91 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	DeLaForest	Gunter	Kohls	Peppin	Sviggum
Beard	Demmer	Hackbarth	Lanning	Ruth	Urdahl
Berns	Dettmer	Hamilton	Magnus	Seifert	Westrom
Brod	Emmer	Heidgerken	McFarlane	Severson	Zellers
Buesgens	Erickson	Holberg	Nornes	Shimanski	
Cornish	Finstad	Hoppe	Olson	Simpson	
Dean	Gottwalt	Howes	Paulsen	Smith	

Those who voted in the negative were:

Abeler	Eken	Jaros	Mahoney	Pelowski	Thissen
Anderson, S.	Erhardt	Johnson	Mariani	Peterson, A.	Tillberry
Anzelc	Faust	Juhnke	Marquart	Peterson, N.	Tingelstad
Atkins	Fritz	Kahn	Masin	Peterson, S.	Tschumper
Benson	Gardner	Kalin	McNamara	Poppe	Wagenius
Bigham	Garofalo	Knuth	Moe	Rukavina	Walker
Bly	Greiling	Koenen	Morgan	Ruud	Ward
Brown	Hansen	Kranz	Morrow	Sailer	Wolti
Brynaert	Hausman	Laine	Mullery	Scalze	Winkler
Bunn	Haws	Lenczewski	Murphy, E.	Sertich	Wollschlager
Clark	Hilstrom	Lesch	Murphy, M.	Simon	Spk. Kelliher
Davnie	Hilty	Liebling	Nelson	Slawik	
Dill	Hornstein	Lieder	Norton	Slocum	
Dittrich	Hortman	Lillie	Olin	Solberg	
Dominguez	Hosch	Loeffler	Otremba	Swails	
Doty	Huntley	Madore	Paymar	Thao	

The motion did not prevail and the amendment was not adopted.

Severson moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Pages 431 to 436, delete section 14

Page 523, line 11, after "biennium" insert "to the commissioner"

Page 523, line 12, delete "operating"

Page 523, line 13, delete "the CLEARCorps"

A roll call was requested and properly seconded.

The question was taken on the Severson amendment and the roll was called. There were 42 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	DeLaForest	Gottwalt	Hoppe	Nornes	Simpson
Anderson, S.	Demmer	Gunther	Howes	Olson	Smith
Beard	Dettmer	Hackbarth	Kohls	Peppin	Sviggum
Berns	Emmer	Hamilton	Lanning	Ruth	Tingelstad
Buesgens	Erickson	Haws	Magnus	Seifert	Urdahl
Cornish	Finstad	Heidgerken	McFarlane	Severson	Westrom
Dean	Garofalo	Holberg	McNamara	Shimanski	Zellers

Those who voted in the negative were:

Abeler	Benson	Brod	Bunn	Dill	Doty
Anzelc	Bigham	Brown	Clark	Dittrich	Eken
Atkins	Bly	Brynaert	Davnie	Dominguez	Erhardt

Faust	Jaros	Lieder	Murphy, E.	Poppe	Thissen
Fritz	Johnson	Lillie	Murphy, M.	Rukavina	Tillberry
Gardner	Juhnke	Loeffler	Nelson	Ruud	Tschumper
Greiling	Kahn	Madore	Norton	Sailer	Wagenius
Hansen	Kalin	Mahoney	Olin	Scalze	Walker
Hausman	Knuth	Mariani	Otremba	Sertich	Ward
Hilstrom	Koenen	Marquart	Paulsen	Simon	Welti
Hilty	Kranz	Masin	Paymar	Slawik	Winkler
Hornstein	Laine	Moe	Pelowski	Slocum	Wollschlager
Hortman	Lenczewski	Morgan	Peterson, A.	Solberg	Spk. Kelliher
Hosch	Lesch	Morrow	Peterson, N.	Swails	
Huntley	Liebling	Mullery	Peterson, S.	Thao	

The motion did not prevail and the amendment was not adopted.

The Speaker resumed the Chair.

Emmer moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 353, delete section 28

Page 1, lines 17 and 18 of the Doty and Eken amendment to the Fritz et al amendment, adopted earlier today, delete "\$38,000,000" and insert "\$40,000,000"

Adjust amounts accordingly

A roll call was requested and properly seconded.

The question was taken on the Emmer amendment and the roll was called. There were 49 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dettmer	Gunther	Koenen	Otremba	Sviggum
Anderson, S.	Doty	Hackbarth	Kohls	Paulsen	Urdahl
Beard	Eken	Hamilton	Lanning	Peppin	Westrom
Brod	Emmer	Haws	Magnus	Ruth	Zellers
Buesgens	Erickson	Heidgerken	Marquart	Seifert	
Cornish	Finstad	Holberg	McFarlane	Severson	
Dean	Fritz	Hoppe	McNamara	Shimanski	
DeLaForest	Garofalo	Hosch	Nornes	Simpson	
Demmer	Gottwalt	Howes	Olson	Smith	

Those who voted in the negative were:

Abeler	Berns	Brynaert	Dill	Faust	Hausman
Anzelc	Bigham	Bunn	Dittrich	Gardner	Hilstrom
Atkins	Bly	Clark	Dominguez	Greiling	Hilty
Benson	Brown	Davnie	Erhardt	Hansen	Hornstein



Hortman	Lenczewski	Moe	Pelowski	Simon	Wagenius
Huntley	Lesch	Morgan	Peterson, A.	Slawik	Walker
Jaros	Liebling	Morrow	Peterson, N.	Slocum	Ward
Johnson	Lieder	Mullery	Peterson, S.	Solberg	Walti
Juhnke	Lillie	Murphy, E.	Poppe	Swails	Winkler
Kahn	Loeffler	Murphy, M.	Rukavina	Thao	Wollschlager
Kalin	Madore	Nelson	Ruud	Thissen	Spk. Kelliher
Knuth	Mahoney	Norton	Sailer	Tillberry	
Kranz	Mariani	Olin	Scalze	Tingelstad	
Laine	Masin	Paymar	Sertich	Tschumper	

The motion did not prevail and the amendment was not adopted.

Berns, Madore, Gottwalt, Swails, Solberg and Westrom moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 140, after line 30, insert:

"Section 1. Minnesota Statutes 2006, section 256.482, subdivision 1, is amended to read:

Subdivision 1. **Establishment; members.** There is hereby established the Council on Disability which shall consist of 21 members appointed by the governor. Members shall be appointed from the general public and from organizations which provide services for persons who have a disability. A majority of council members shall be persons with a disability or parents or guardians of persons with a disability. There shall be at least one member of the council appointed from each of the state development regions. The commissioners of the Departments of Education, Human Services, Health, and Human Rights and the directors of the Rehabilitation Services and State Services for the Blind in the Department of Employment and Economic Development or their designees shall serve as ex officio members of the council without vote. In addition, the council may appoint ex officio members from other bureaus, divisions, or sections of state departments which are directly concerned with the provision of services to persons with a disability.

Notwithstanding the provisions of section 15.059, each member of the council appointed by the governor shall serve a three-year term and until a successor is appointed and qualified. The compensation and removal of all members shall be as provided in section 15.059. The council performs functions that are not purely advisory, therefore the expiration dates provided in section 15.059 do not apply. The governor shall appoint a chair of the council from among the members appointed from the general public or who are persons with a disability or their parents or guardians. Vacancies shall be filled by the authority for the remainder of the unexpired term.

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

Sec. 2. Minnesota Statutes 2006, section 256.482, subdivision 8, is amended to read:

~~Subd. 8. **Sunset.** Notwithstanding section 15.059, subdivision 5, the Council on Disability shall not sunset until June 30, 2007.~~

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

Renumber the sections in sequence and correct the internal references

Adjust amounts accordingly

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Seifert offered an amendment to S. F. No. 2171, the third unofficial engrossment, as amended.

#### POINT OF ORDER

Solberg raised a point of order pursuant to rule 4.03, relating to Ways and Means Committee; Budget Resolution; Effect on Expenditure and Revenue Bills that the Seifert amendment was not in order. The Speaker ruled the point of order well taken and the Seifert amendment out of order.

Sviggum moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 1, line 19, of the Fritz et al amendment, as amended by the Doty and Eken amendment, adopted earlier today, delete "2009" and insert "2007"

Page 1, line 23, of the Fritz et al amendment, as amended by the Doty and Eken amendment, adopted earlier today, delete "2009" and insert "2007"

Page 376, delete article 8 and insert:

#### "ARTICLE 8

#### HEALTHY CONNECTIONS

Section 1. Minnesota Statutes 2006, section 13.46, subdivision 2, is amended to read:

Subd. 2. **General.** (a) Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used, or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

(1) according to section 13.05;

(2) according to court order;

(3) according to a statute specifically authorizing access to the private data;

(4) to an agent of the welfare system, including a law enforcement person, attorney, or investigator acting for it in the investigation or prosecution of a criminal or civil proceeding relating to the administration of a program;

(5) to personnel of the welfare system who require the data to verify an individual's identity; determine eligibility, amount of assistance, and the need to provide services to an individual or family across programs; evaluate the effectiveness of programs; and investigate suspected fraud;

(6) to administer federal funds or programs;

(7) between personnel of the welfare system working in the same program;

(8) to the Department of Revenue to administer and evaluate tax refund or tax credit programs and to identify individuals who may benefit from these programs. The following information may be disclosed under this paragraph: an individual's and their dependent's names, dates of birth, Social Security numbers, income, addresses, and other data as required, upon request by the Department of Revenue. Disclosures by the commissioner of revenue to the commissioner of human services for the purposes described in this clause are governed by section 270B.14, subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent care credit under section 290.067, the Minnesota working family credit under section 290.0671, the property tax refund and rental credit under section 290A.04, and the Minnesota education credit under section 290.0674;

(9) between the Department of Human Services, the Department of Education, and the Department of Employment and Economic Development for the purpose of monitoring the eligibility of the data subject for unemployment benefits, for any employment or training program administered, supervised, or certified by that agency, for the purpose of administering any rehabilitation program or child care assistance program, whether alone or in conjunction with the welfare system, or to monitor and evaluate the Minnesota family investment program by exchanging data on recipients and former recipients of food support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

(10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;

(11) data maintained by residential programs as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state according to Part C of Public Law 98-527 to protect the legal and human rights of persons with developmental disabilities or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;

(12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;

(13) data on a child support obligor who makes payments to the public agency may be disclosed to the Minnesota Office of Higher Education to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);

(14) participant Social Security numbers and names collected by the telephone assistance program may be disclosed to the Department of Revenue to conduct an electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;

(15) the current address of a Minnesota family investment program participant may be disclosed to law enforcement officers who provide the name of the participant and notify the agency that:

(i) the participant:

(A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony under the laws of the jurisdiction from which the individual is fleeing; or

(B) is violating a condition of probation or parole imposed under state or federal law;

(ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and

(iii) the request is made in writing and in the proper exercise of those duties;

(16) the current address of a recipient of general assistance or general assistance medical care may be disclosed to probation officers and corrections agents who are supervising the recipient and to law enforcement officers who are investigating the recipient in connection with a felony level offense;

(17) information obtained from food support applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the Food Stamp Act, according to Code of Federal Regulations, title 7, section 272.1(c);

(18) the address, Social Security number, and, if available, photograph of any member of a household receiving food support shall be made available, on request, to a local, state, or federal law enforcement officer if the officer furnishes the agency with the name of the member and notifies the agency that:

(i) the member:

(A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

(B) is violating a condition of probation or parole imposed under state or federal law; or

(C) has information that is necessary for the officer to conduct an official duty related to conduct described in subitem (A) or (B);

(ii) locating or apprehending the member is within the officer's official duties; and

(iii) the request is made in writing and in the proper exercise of the officer's official duty;

(19) the current address of a recipient of Minnesota family investment program, general assistance, general assistance medical care, or food support may be disclosed to law enforcement officers who, in writing, provide the name of the recipient and notify the agency that the recipient is a person required to register under section 243.166, but is not residing at the address at which the recipient is registered under section 243.166;

(20) certain information regarding child support obligors who are in arrears may be made public according to section 518A.74;

(21) data on child support payments made by a child support obligor and data on the distribution of those payments excluding identifying information on obligees may be disclosed to all obligees to whom the obligor owes support, and data on the enforcement actions undertaken by the public authority, the status of those actions, and data on the income of the obligor or obligee may be disclosed to the other party;

(22) data in the work reporting system may be disclosed under section 256.998, subdivision 7;

(23) to the Department of Education for the purpose of matching Department of Education student data with public assistance data to determine students eligible for free and reduced price meals, meal supplements, and free milk according to United States Code, title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state funds that are distributed based on income of the student's family; and to verify receipt of energy assistance for the telephone assistance plan;

(24) the current address and telephone number of program recipients and emergency contacts may be released to the commissioner of health or a local board of health as defined in section 145A.02, subdivision 2, when the commissioner or local board of health has reason to believe that a program recipient is a disease case, carrier, suspect case, or at risk of illness, and the data are necessary to locate the person;

(25) to other state agencies, statewide systems, and political subdivisions of this state, including the attorney general, and agencies of other states, interstate information networks, federal agencies, and other entities as required by federal regulation or law for the administration of the child support enforcement program;

(26) to personnel of public assistance programs as defined in section 256.741, for access to the child support system database for the purpose of administration, including monitoring and evaluation of those public assistance programs;

(27) to monitor and evaluate the Minnesota family investment program by exchanging data between the Departments of Human Services and Education, on recipients and former recipients of food support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

(28) to evaluate child support program performance and to identify and prevent fraud in the child support program by exchanging data between the Department of Human Services, Department of Revenue under section 270B.14, subdivision 1, paragraphs (a) and (b), without regard to the limitation of use in paragraph (c), Department of Health, Department of Employment and Economic Development, and other state agencies as is reasonably necessary to perform these functions; ~~or~~

(29) counties operating child care assistance programs under chapter 119B may disseminate data on program participants, applicants, and providers to the commissioner of education; or

(30) pursuant to section 256L.02, subdivision 6, between the welfare system and the Minnesota Health Insurance Exchange, under section 62A.67, in order to enroll and collect premiums from individuals in the MinnesotaCare program under chapter 256L and to administer the individual's and their families' participation in the program.

(b) Information on persons who have been treated for drug or alcohol abuse may only be disclosed according to the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16), (17), or (18), or paragraph (b), are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

(d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but is not subject to the access provisions of subdivision 10, paragraph (b).

For the purposes of this subdivision, a request will be deemed to be made in writing if made through a computer interface system.

Sec. 2. **[62A.67] MINNESOTA HEALTH INSURANCE EXCHANGE.**

Subdivision 1. **Title; citation.** This section may be cited as the "Minnesota Health Insurance Exchange."

Subd. 2. **Creation; tax exemption.** The Minnesota Health Insurance Exchange is created for the limited purpose of providing individuals with greater access, choice, portability, and affordability of health insurance products. The Minnesota Health Insurance Exchange is a not-for-profit corporation under chapter 317A and section 501(c) of the Internal Revenue Code.

Subd. 3. **Definitions.** The following terms have the meanings given them unless otherwise provided in text.

(a) "Board" means the board of directors of the Minnesota Health Insurance Exchange under subdivision 13.

(b) "Commissioner" means:

(1) the commissioner of commerce for health insurers subject to the jurisdiction of the Department of Commerce;

(2) the commissioner of health for health insurers subject to the jurisdiction of the Department of Health; or

(3) either commissioner's designated representative.

(c) "Exchange" means the Minnesota Health Insurance Exchange.

(d) "HIPAA" means the Health Insurance Portability and Accountability Act of 1996.

(e) "Individual market health plans," unless otherwise specified, means individual market health plans defined in section 62A.011 and MinnesotaCare II products as defined in chapter 256L.

(f) "Section 125 Plan" means a Premium Only Plan under section 125 of the Internal Revenue Code.

Subd. 4. **Insurer and health plan participation.** All health plans as defined in section 62A.011, subdivision 3, issued or renewed in the individual market shall participate in the exchange. No health plans in the individual market may be issued or renewed outside of the exchange. Group health plans as defined in section 62A.10 shall not be offered through the exchange. Health plans offered through the Minnesota Comprehensive Health Association as defined in section 62E.10 are offered through the exchange to eligible enrollees as determined by the Minnesota Comprehensive Health Association. Health plans offered through MinnesotaCare and MinnesotaCare II under chapter 256L are offered through the exchange to eligible enrollees as determined by the commissioner of human services.

Subd. 5. **Approval of health plans.** No health plan may be offered through the exchange unless the commissioner has first certified that:

(1) the insurer seeking to offer the health plan is licensed to issue health insurance in the state; and

(2) the health plan meets the requirements of this section, and the health plan and the insurer are in compliance with all other applicable health insurance laws.

Subd. 6. **Individual market health plans.** Individual market health plans offered through the exchange continue to be regulated by the commissioner as specified in chapters 62A, 62C, 62D, 62E, 62Q, and 72A, and must include the following provisions that apply to all health plans issued or renewed through the exchange:

(1) premiums for children under the age of 19 shall not vary by age in the exchange; and

(2) premiums for children under the age of 19 must be excluded from rating factors requirements under section 62A.65, subdivision 3, paragraph (b).

Subd. 7. **MinnesotaCare II health plans.** Health plans approved for MinnesotaCare II under section 256L.075 shall be offered by participating insurers to exchange participants not enrolled in MinnesotaCare II.

Subd. 8. **Individual participation and eligibility.** Individuals are eligible to purchase health plans directly through the exchange or through an employer Section 125 Plan under section 62A.68. Nothing in this section requires guaranteed issue of individual market health plans offered through the exchange. Individuals are eligible to purchase individual market health plans through the exchange by meeting one or more of the following qualifications:

(1) the individual is a Minnesota resident, meaning the individual is physically residing on a permanent basis in a place that is the person's principal residence and from which the person is absent only for temporary purposes;

(2) the individual is a student attending an institution outside of Minnesota and maintains Minnesota residency;

(3) the individual is not a Minnesota resident but is employed by an employer physically located within the state and the individual's employer does not offer a group health insurance plan as defined in section 62A.10, but does offer a Section 125 Plan through the exchange under section 62A.68;

(4) the individual is not a Minnesota resident but is self-employed and the individual's principal place of business is in the state; or

(5) the individual is a dependent as defined in section 62L.02, of another individual who is eligible to participate in the exchange.

Subd. 9. **Continuation of coverage.** Enrollment in a health plan may be canceled for nonpayment of premiums, fraud, or changes in eligibility for MinnesotaCare under chapter 256L. Enrollment in an individual market health plan may not be canceled or renewed because of any change in employer or employment status, marital status, health status, age, residence, or any other change that does not affect eligibility as defined in this section.

Subd. 10. **Responsibilities of the exchange.** The exchange shall serve as the sole entity for enrollment and collection and transfer of premium payments for health plans offered through the exchange. The exchange shall be responsible for the following functions:

(1) publicize the exchange, including but not limited to its functions, eligibility rules, and enrollment procedures;

(2) provide assistance to employers to set up an employer Section 125 Plan under section 62A.68;

(3) create a system to allow individuals to compare and enroll in health plans offered through the exchange;

(4) create a system to collect and transmit to the applicable plans all premium payments or contributions made by or on behalf of individuals, including developing mechanisms to receive and process automatic payroll deductions for individuals enrolled in employer Section 125 Plans;

(5) refer individuals interested in MinnesotaCare or MinnesotaCare II under chapter 256L to the Department of Human Services to determine eligibility;

(6) establish a mechanism with the Department of Human Services to transfer premiums and subsidies for MinnesotaCare and MinnesotaCare II to qualify for federal matching payments;

(7) administer bonus accounts as defined in chapter 256L to reimburse MinnesotaCare II enrollees for qualified medical expenses under section 213(d) of the Internal Revenue Code;

(8) collect and assess information for eligibility for bonus accounts and premium incentives under chapter 256L;

(9) upon request, issue certificates of previous coverage according to the provisions of HIPAA and as referenced in section 62Q.181 to all such individuals who cease to be covered by a participating health plan through the exchange;

(10) establish procedures to account for all funds received and disbursed by the exchange for individual participants of the exchange; and

(11) make available to the public, at the end of each calendar year, a report of an independent audit of the exchange's accounts.

**Subd. 11. Powers of the exchange.** The exchange shall have the power to:

(1) contract with insurance producers licensed in accident and health insurance under chapter 60K and vendors to perform one or more of the functions specified in subdivision 10;

(2) contract with employers to act as the plan administrator for participating employer Section 125 Plans and to undertake the obligations required by federal law of a plan administrator;

(3) establish and assess fees on health plan premiums of health plans purchased through the exchange to fund the cost of administering the exchange;

(4) seek and directly receive grant funding from government agencies or private philanthropic organizations to defray the costs of operating the exchange;

(5) establish and administer rules and procedures governing the operations of the exchange;

(6) establish one or more service centers within Minnesota;

(7) sue or be sued or otherwise take any necessary or proper legal action;

(8) establish bank accounts and borrow money; and

(9) enter into agreements with the commissioners of commerce, health, human services, revenue, employment and economic development, and other state agencies as necessary for the exchange to implement the provisions of this section.

**Subd. 12. Dispute resolution.** The exchange shall establish procedures for resolving disputes with respect to the eligibility of an individual to participate in the exchange. The exchange does not have the authority or responsibility to intervene in or resolve disputes between an individual and a health plan or health insurer. The exchange shall refer complaints from individuals participating in the exchange to the commissioner of human services to be resolved according to sections 62Q.68 to 62Q.73.

**Subd. 13. Governance.** The exchange shall be governed by a board of directors with 11 members. The board shall convene on or before July 1, 2007, after the initial board members have been selected. The initial board membership consists of the following:



(1) the commissioner of commerce;

(2) the commissioner of human services;

(3) the commissioner of health;

(4) four members appointed by a joint committee of the Minnesota senate and the Minnesota house of representatives to serve three-year terms; and

(5) four members appointed by the governor to serve three-year terms.

Subd. 14. **Subsequent board membership.** Ongoing membership of the exchange consists of the following effective July 1, 2010:

(1) the commissioner of commerce;

(2) the commissioner of human services;

(3) the commissioner of health;

(4) four members appointed by the governor with the approval of a joint committee of the senate and house of representatives to serve two- or three-year terms. Appointed members may serve more than one term; and

(5) four members elected by the membership of the exchange of which two are elected to serve a two-year term and two are elected to serve a three-year term. Elected members may serve more than one term.

Subd. 15. **Operations of the board.** Officers of the board of directors are elected by members of the board and serve one-year terms. Six members of the board constitutes a quorum, and the affirmative vote of six members of the board is necessary and sufficient for any action taken by the board. Board members serve without pay, but are reimbursed for actual expenses incurred in the performance of their duties.

Subd. 16. **Operations of the exchange.** The board of directors shall appoint an exchange director who shall:

(1) be a full-time employee of the exchange;

(2) administer all of the activities and contracts of the exchange; and

(3) hire and supervise the staff of the exchange.

Subd. 17. **Insurance producers.** When a producer licensed in accident and health insurance under chapter 60K enrolls an eligible individual in the exchange, the health plan chosen by an individual may pay the producer a commission.

Subd. 18. **Implementation.** Health plan coverage through the exchange begins on January 1, 2009. The exchange must be operational to assist employers and individuals by September 1, 2008, and be prepared for enrollment by December 1, 2008. Enrollees of individual market health plans, MinnesotaCare, and the Minnesota Comprehensive Health Association as of December 2, 2008, are automatically enrolled in the exchange on January 1, 2009, in the same health plan and at the same premium that they were enrolled as of December 2, 2008, subject to the provisions of this section. As of January 1, 2009, all enrollees of individual market health plans, MinnesotaCare, and the Minnesota Comprehensive Health Association shall make premium payments to the exchange.

Subd. 19. **Study of insurer issue requirements.** In consultation with the commissioners of commerce and health, the exchange shall study and make recommendations on rating requirements and risk adjustment mechanisms that could be implemented to facilitate increased enrollment in the exchange by employers and employees through employer Section 125 Plans. The exchange shall report study findings and recommendations to the chairs of house and senate committees having jurisdiction over commerce and health by January 15, 2011.

Sec. 3. **[62A.68] SECTION 125 PLANS.**

Subdivision 1. **Definitions.** The following terms have the meanings given unless otherwise provided in text:

(a) "Current employee" means an employee currently on an employer's payroll other than a retiree or disabled former employee.

(b) "Employer" means a person, firm, corporation, partnership, association, business trust, or other entity employing one or more persons, including a political subdivision of the state, filing payroll tax information on such employed person or persons.

(c) "Section 125 Plan" means a Premium Only Plan under section 125 of the Internal Revenue Code.

(d) "Exchange" means the Minnesota Health Insurance Exchange under section 62A.67.

(e) "Exchange director" means the appointed director under section 62A.67, subdivision 16.

Subd. 2. **Section 125 Plan requirement.** Effective January 1, 2009, all employers with 11 or more current employees shall offer a Section 125 Plan through the exchange to allow their employees to pay for health insurance premiums with pretax dollars. The following employers are exempt from the Section 125 Plan requirement:

(1) employers that offer a group health insurance plan as defined in 62A.10;

(2) employers that offer group health insurance through a self-insured plan as defined in section 62E.02; and

(3) employers with fewer than 11 current employees, except that employers under this clause may voluntarily offer a Section 125 Plan.

Subd. 3. **Tracking compliance.** By July 1, 2008, the exchange, in consultation with the commissioners of commerce, health, employment and economic development, and revenue shall establish a method for tracking employer compliance with the Section 125 Plan requirement.

Subd. 4. **Employer requirements.** Employers that are required to offer or choose to offer a Section 125 Plan through the exchange shall enter into an annual binding agreement with the exchange, which includes the terms in paragraphs (a) to (h).

(a) The employer shall designate the exchange director to be the plan's administrator for the employer's plan and the exchange director agrees to undertake the obligations required of a plan administrator under federal law.

(b) Only the coverage and benefits offered by participating insurers in the exchange constitutes the coverage and benefits of the participating employer plan.

(c) Any individual eligible to participate in the exchange may elect coverage under any participating health plan for which they are eligible, and neither the employer nor the exchange shall limit choice of coverage from among all the participating insurance plans for which the individual is eligible.

(d) The employer shall deduct premium amounts on a pretax basis in an amount not to exceed an employee's wages and make payments to the exchange as directed by employees for health plans employees enroll in through the exchange.

(e) The employer shall not offer individuals eligible to participate in the exchange any separate or competing group health plan under section 62A.10.

(f) The employer reserves the right to determine the terms and amounts of the employer's contribution to the plan, if any.

(g) The employer shall make available to the exchange any of the employer's documents, records, or information, including copies of the employer's federal and state tax and wage reports that are necessary for the exchange to verify:

(1) that the employer is in compliance with the terms of its agreement with the exchange governing the participating employer plan;

(2) that the participating employer plan is in compliance with applicable state and federal laws, including those relating to nondiscrimination in coverage; and

(3) the eligibility of those individuals enrolled in the participating employer plan.

(h) The exchange shall not provide the participating employer plan with any additional or different services or benefits not otherwise provided or offered to all other participating employer plans.

Subd. 5. **Section 125 eligible health plans.** Individuals eligible to enroll in health plans through an employer Section 125 Plan through the exchange may enroll in any health plan offered through the exchange for which the individual is eligible including individual market health plans, MinnesotaCare and MinnesotaCare II, and the Minnesota Comprehensive Health Association.

Sec. 4. Minnesota Statutes 2006, section 62E.141, is amended to read:

**62E.141 INCLUSION IN EMPLOYER-SPONSORED PLAN.**

No employee of an employer that offers a group health plan, under which the employee is eligible for coverage, is eligible to enroll, or continue to be enrolled, in the comprehensive health association, except for enrollment or continued enrollment necessary to cover conditions that are subject to an unexpired preexisting condition limitation, preexisting condition exclusion, or exclusionary rider under the employer's health plan. This section does not apply to persons enrolled in the Comprehensive Health Association as of June 30, 1993. With respect to persons eligible to enroll in the health plan of an employer that has more than 29 current employees, as defined in section 62L.02, this section does not apply to persons enrolled in the Comprehensive Health Association as of December 31, 1994.

Sec. 5. Minnesota Statutes 2006, section 62L.12, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) A health carrier may sell, issue, or renew individual conversion policies to eligible employees otherwise eligible for conversion coverage under section 62D.104 as a result of leaving a health maintenance organization's service area.

(b) A health carrier may sell, issue, or renew individual conversion policies to eligible employees otherwise eligible for conversion coverage as a result of the expiration of any continuation of group coverage required under sections 62A.146, 62A.17, 62A.21, 62C.142, 62D.101, and 62D.105.

(c) A health carrier may sell, issue, or renew conversion policies under section 62E.16 to eligible employees.

(d) A health carrier may sell, issue, or renew individual continuation policies to eligible employees as required.

(e) A health carrier may sell, issue, or renew individual health plans if the coverage is appropriate due to an unexpired preexisting condition limitation or exclusion applicable to the person under the employer's group health plan or due to the person's need for health care services not covered under the employer's group health plan.

(f) A health carrier may sell, issue, or renew an individual health plan, if the individual has elected to buy the individual health plan not as part of a general plan to substitute individual health plans for a group health plan nor as a result of any violation of subdivision 3 or 4.

(g) Nothing in this subdivision relieves a health carrier of any obligation to provide continuation or conversion coverage otherwise required under federal or state law.

(h) Nothing in this chapter restricts the offer, sale, issuance, or renewal of coverage issued as a supplement to Medicare under sections 62A.3099 to 62A.44, or policies or contracts that supplement Medicare issued by health maintenance organizations, or those contracts governed by sections 1833, 1851 to 1859, 1860D, or 1876 of the federal Social Security Act, United States Code, title 42, section 1395 et seq., as amended.

(i) Nothing in this chapter restricts the offer, sale, issuance, or renewal of individual health plans necessary to comply with a court order.

(j) A health carrier may offer, issue, sell, or renew an individual health plan to persons eligible for an employer group health plan, if the individual health plan is a high deductible health plan for use in connection with an existing health savings account, in compliance with the Internal Revenue Code, section 223. In that situation, the same or a different health carrier may offer, issue, sell, or renew a group health plan to cover the other eligible employees in the group.

(k) A health carrier may offer, sell, issue, or renew an individual health plan to one or more employees of a small employer if the individual health plan is marketed directly to all employees of the small employer and the small employer does not contribute directly or indirectly to the premiums or facilitate the administration of the individual health plan. The requirement to market an individual health plan to all employees does not require the health carrier to offer or issue an individual health plan to any employee. For purposes of this paragraph, an employer is not contributing to the premiums or facilitating the administration of the individual health plan if the employer does not contribute to the premium and merely collects the premiums from an employee's wages or salary through payroll deductions and submits payment for the premiums of one or more employees in a lump sum to the health carrier. Except for coverage under section 62A.65, subdivision 5, paragraph (b), or 62E.16, at the request of an employee, the health carrier may bill the employer for the premiums payable by the employee, provided that the employer is not liable for payment except from payroll deductions for that purpose. If an employer is submitting payments under this paragraph, the health carrier shall provide a cancellation notice directly to the primary insured at least ten days prior to termination of coverage for nonpayment of premium. Individual coverage under this paragraph may be offered only if the small employer has not provided coverage under section 62L.03 to the employees within the past 12 months.

The employer must provide a written and signed statement to the health carrier that the employer is not contributing directly or indirectly to the employee's premiums. The health carrier may rely on the employer's statement and is not required to guarantee-issue individual health plans to the employer's other current or future employees.

(l) Nothing in this chapter restricts the offer, sale, issuance, or renewal of individual health plans through the Minnesota Health Insurance Exchange under section 62A.67 or 62A.68.

**Sec. 6. [256.962] MINNESOTA HEALTH CARE PROGRAMS OUTREACH.**

Subdivision 1. **Public awareness and education.** The commissioner shall design and implement a statewide campaign to raise public awareness on the availability of health coverage through medical assistance, general assistance medical care, and MinnesotaCare and to educate the public on the importance of obtaining and maintaining health care coverage. The campaign shall include multimedia messages directed to the general population.

Subd. 2. **Outreach grants.** (a) The commissioner shall award grants to public and private organizations or regional collaboratives for outreach activities, including, but not limited to:

(1) providing information, applications, and assistance in obtaining coverage through Minnesota public health care programs;

(2) collaborating with public and private entities such as hospitals, providers, health plans, legal aid offices, pharmacies, insurance agencies, and faith-based organizations to develop outreach activities and partnerships to ensure the distribution of information and applications and provide assistance in obtaining coverage through Minnesota health care programs; and

(3) providing or collaborating with public and private entities to provide multilingual and culturally specific information and assistance to applicants in areas of high uninsurance in the state or populations with high rates of uninsurance.

(b) The commissioner shall ensure that all outreach materials are available in languages other than English.

(c) The commissioner shall establish an outreach trainer program to provide training to designated individuals from the community and public and private entities on application assistance in order for these individuals to provide training to others in the community on an as-needed basis.

Subd. 3. **Application and assistance.** (a) The Minnesota health care programs application must be made available at provider offices, local human services agencies, school districts, public and private elementary schools in which 25 percent or more of the students receive free or reduced price lunches, community health offices, Women, Infants and Children (WIC) program sites, Head Start program sites, public housing councils, child care centers, early childhood education and preschool program sites, legal aid offices, and libraries. The commissioner shall ensure that applications are available in languages other than English.

(b) Local human service agencies, hospitals, and health care community clinics receiving state funds must provide direct assistance in completing the application form, including the free use of a copy machine and a drop box for applications. These locations must ensure that the drop box is checked at least weekly and any applications are submitted to the commissioner. The commissioner shall provide these entities with an identification number to stamp on each application to identify the entity that provided assistance. Other locations where applications are required to be available shall either provide direct assistance in completing the application form or provide information on where an applicant can receive application assistance.

(c) Counties must offer applications and application assistance when providing child support collection services.

(d) Local public health agencies and counties that provide immunization clinics must offer applications and application assistance during these clinics.

(e) The commissioner shall coordinate with the commissioner of health to ensure that maternal and child health outreach efforts include information on Minnesota health care programs and application assistance, when needed.

Subd. 4. **Statewide toll-free telephone number.** The commissioner shall provide funds for a statewide toll-free telephone number to provide information on public and private health coverage options and sources of free and low-cost health care. The statewide telephone number must provide the option of obtaining this information in languages other than English.

Subd. 5. **Incentive program.** The commissioner shall establish an incentive program for organizations that directly identify and assist potential enrollees in filling out and submitting an application. For each applicant who is successfully enrolled in MinnesotaCare, medical assistance, or general assistance medical care, the commissioner shall pay the organization a \$25 application assistance bonus. The organization may provide an applicant a gift certificate or other incentive upon enrollment.

Subd. 6. **School districts.** (a) At the beginning of each school year, a school district shall provide information to each student on the availability of health care coverage through the Minnesota health care programs.

(b) For each child who is determined to be eligible for a free or reduced priced lunch, the district shall provide the child's family with an application for the Minnesota health care programs and information on how to obtain application assistance.

(c) A district shall also ensure that applications and information on application assistance are available at early childhood education sites and public schools located within the district's jurisdiction.

(d) Each district shall designate an enrollment specialist to provide application assistance and follow-up services with families who are eligible for the reduced or free lunch program or who have indicated an interest in receiving information or an application for the Minnesota health care program.

(e) Each school district shall provide on their Web site a link to information on how to obtain an application and application assistance.

Subd. 7. **Renewal notice.** (a) The commissioner shall mail a renewal notice to enrollees notifying the enrollees that the enrollees eligibility must be renewed. A notice shall be sent at least 90 days prior to the renewal date and at least 60 days prior to the renewal date.

(b) For enrollees who are receiving services through managed care plans, the managed care plan must provide a follow-up renewal call at least 60 days prior to the enrollees' renewal dates.

(c) The commissioner shall include the end of coverage dates on the monthly rosters of enrollees provided to managed care organizations.

Sec. 7. Minnesota Statutes 2006, section 256B.057, subdivision 8, is amended to read:

Subd. 8. **Children under age two.** Medical assistance may be paid for a child under two years of age whose countable family income is above 275 percent of the federal poverty guidelines for the same size family but less than or equal to ~~280~~ 305 percent of the federal poverty guidelines for the same size family.

**EFFECTIVE DATE.** This section is effective January 1, 2009, or upon federal approval, whichever is later. The commissioner of human services shall notify the Office of the Revisor of Statutes when federal approval is obtained.

Sec. 8. Minnesota Statutes 2006, section 256L.02, subdivision 3, is amended to read:

Subd. 3. **Financial management.** (a) The commissioner shall manage spending for the MinnesotaCare program in a manner that maintains a minimum reserve. As part of each state revenue and expenditure forecast, the commissioner must make an assessment of the expected expenditures for the covered services for the remainder of the current biennium and for the following biennium. The estimated expenditure, including the reserve, shall be compared to an estimate of the revenues that will be available in the health care access fund. Based on this comparison, and after consulting with the chairs of the house Ways and Means Committee and the senate Finance Committee, and the Legislative Commission on Health Care Access, the commissioner shall, as necessary, make the adjustments specified in paragraph (b) to ensure that expenditures remain within the limits of available revenues for the remainder of the current biennium and for the following biennium. The commissioner shall not hire additional staff using appropriations from the health care access fund until the commissioner of finance makes a determination that the adjustments implemented under paragraph (b) are sufficient to allow MinnesotaCare expenditures to remain within the limits of available revenues for the remainder of the current biennium and for the following biennium.

(b) The adjustments the commissioner shall use must be implemented in this order: first, stop enrollment of single adults and households without children; second, upon 45 days' notice, stop coverage of single adults and households without children already enrolled in the MinnesotaCare program; third, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income above 200 percent of the federal poverty guidelines; fourth, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income at or below 200 percent; and fifth, require applicants to be uninsured for at least six months prior to eligibility in the MinnesotaCare program. If these measures are insufficient to limit the expenditures to the estimated amount of revenue, the commissioner shall further limit enrollment or decrease premium subsidies.

(c) The commissioner shall work in cooperation with the Minnesota Health Insurance Exchange under section 62A.67 to make adjustments under paragraph (b) as required under this subdivision.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 9. Minnesota Statutes 2006, section 256L.02, is amended by adding a subdivision to read:

Subd. 5. **Enrollment responsibilities.** According to section 256L.05, subdivision 6, effective January 1, 2009, the Minnesota Health Insurance Exchange under section 62A.67 shall assume responsibility for enrolling eligible applicants and enrollees in a health plan for MinnesotaCare coverage. The commissioner shall maintain responsibility for determining eligibility for MinnesotaCare.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 10. Minnesota Statutes 2006, section 256L.02, is amended by adding a subdivision to read:

Subd. 6. **Exchange of data.** An entity that is part of the welfare system as defined in section 13.46, subdivision 1, paragraph (c), and the Minnesota Health Insurance Exchange under section 62A.67 may exchange private data about individuals without the individual's consent in order to enroll and collect premiums from individuals in the MinnesotaCare program under chapter 256L and to administer the individual's and the individual's family's participation in the program. This subdivision only applies if the entity that is part of the welfare system and the Minnesota Health Insurance Exchange have entered into an agreement that complies with the requirements in Code of Federal Regulations, title 45, section 164.314.

Sec. 11. Minnesota Statutes 2006, section 256L.04, subdivision 1, is amended to read:

Subdivision 1. **Families with children.** (a) A child in a family with family income equal to or less than 300 percent of the federal poverty guidelines for the applicable family size is eligible for MinnesotaCare under this section. Adults in families with children with family income equal to or less than 275 percent of the federal poverty guidelines for the applicable family size shall be eligible for MinnesotaCare according to this section. All other provisions of sections 256L.01 to 256L.18, including the insurance-related barriers to enrollment under section 256L.07, shall apply unless otherwise specified.

(b) Parents who enroll in the MinnesotaCare program must also enroll their children, if the children are eligible. Children may be enrolled separately without enrollment by parents. However, if one parent in the household enrolls, both parents must enroll, unless other insurance is available. If one child from a family is enrolled, all children must be enrolled, unless other insurance is available. If one spouse in a household enrolls, the other spouse in the household must also enroll, unless other insurance is available. Families cannot choose to enroll only certain uninsured members.

(c) Beginning October 1, 2003, the dependent sibling definition no longer applies to the MinnesotaCare program. These persons are no longer counted in the parental household and may apply as a separate household.

(d) Beginning July 1, 2003, or upon federal approval, whichever is later, parents are not eligible for MinnesotaCare if their gross income exceeds \$50,000.

**EFFECTIVE DATE.** This section is effective January 1, 2009, or upon federal approval, whichever is later. The commissioner of human services shall notify the Office of the Revisor of Statutes when federal approval is obtained.

Sec. 12. Minnesota Statutes 2006, section 256L.05, subdivision 5, is amended to read:

Subd. 5. **Availability of private insurance.** ~~(a) The commissioner, in consultation with the commissioners of health and commerce, shall provide information regarding the availability of private health insurance coverage and the possibility of disenrollment under section 256L.07, subdivision 1, paragraphs (b) and (c), to all: (1) families enrolled in the MinnesotaCare program whose gross family income is equal to or more than 225 percent of the federal poverty guidelines; and (2) single adults and households without children enrolled in the MinnesotaCare program whose gross family income is equal to or more than 165 percent of the federal poverty guidelines. This information must be provided Minnesota Health Insurance Exchange under section 62A.67 upon initial enrollment and annually thereafter. The commissioner shall also include information regarding the availability of private health insurance coverage in~~

~~(b) The notice of ineligibility provided to persons subject to disenrollment under section 256L.07, subdivision 1, paragraphs (b) and (c), must include information about assistance with identifying and selecting private health insurance coverage provided by the Minnesota Health Insurance Exchange under section 62A.67.~~

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 13. Minnesota Statutes 2006, section 256L.05, is amended by adding a subdivision to read:

Subd. 6. **Minnesota Health Insurance Exchange.** The commissioner shall refer all MinnesotaCare applicants and enrollees to the Minnesota Health Insurance Exchange under section 62A.67. The Minnesota Health Insurance Exchange shall provide those referred with assistance in selecting a managed care plan through which to receive



MinnesotaCare covered services and in analyzing health plans available through the private market. MinnesotaCare applicants and enrollees shall effect enrollment in a managed care plan or a private market health plan through the Minnesota Health Insurance Exchange.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 14. Minnesota Statutes 2006, section 256L.06, subdivision 3, is amended to read:

Subd. 3. **Commissioner's duties and payment.** (a) Premiums are dedicated to the commissioner for MinnesotaCare.

(b) The commissioner shall develop and implement procedures to: (1) require enrollees to report changes in income; (2) adjust sliding scale premium payments at the time of eligibility renewal, based upon both increases and decreases in enrollee income, ~~at the time the change in income is reported~~; and (3) disenroll enrollees from MinnesotaCare for failure to pay required premiums. Failure to pay includes payment with a dishonored check, a returned automatic bank withdrawal, or a refused credit card or debit card payment. The commissioner may demand a guaranteed form of payment, including a cashier's check or a money order, as the only means to replace a dishonored, returned, or refused payment.

(c) Premiums are calculated on a calendar month basis and may be paid on a monthly, quarterly, or semiannual basis, with the first payment due upon notice from the commissioner of the premium amount required. The commissioner shall inform applicants and enrollees of these premium payment options. Premium payment is required before enrollment is complete and to maintain eligibility in MinnesotaCare. Premium payments received before noon are credited the same day. Premium payments received after noon are credited on the next working day.

(d) Nonpayment of the premium will result in disenrollment from the plan effective for the calendar month for which the premium was due. Persons disenrolled for nonpayment or who voluntarily terminate coverage from the program may not reenroll until four calendar months have elapsed. Persons disenrolled for nonpayment who pay all past due premiums as well as current premiums due, including premiums due for the period of disenrollment, within 20 days of disenrollment, shall be reenrolled retroactively to the first day of disenrollment. Persons disenrolled for nonpayment or who voluntarily terminate coverage from the program may not reenroll for four calendar months unless the person demonstrates good cause for nonpayment. Good cause does not exist if a person chooses to pay other family expenses instead of the premium. The commissioner shall define good cause in rule.

**EFFECTIVE DATE.** This section is effective January 1, 2009, or upon federal approval, whichever is later. The commissioner shall notify the Office of the Revisor of Statutes when federal approval is obtained.

Sec. 15. **[256L.075] MINNESOTACARE II OPTION ESTABLISHED.**

Subdivision 1. **Program established; enrollment.** The Minnesota Health Insurance Exchange under section 62A.67, in consultation with the commissioner, shall establish and administer a program that subsidizes the purchase of private market health plans for children eligible for MinnesotaCare in families with family income above 200 percent, but not exceeding 300 percent, of the federal poverty guidelines. The program established under this section is referred to as MinnesotaCare II. The private market health coverage provided under this section is an alternative to coverage under section 256L.03. Notwithstanding section 256L.12, children obtaining coverage under this section shall enroll in a health plan, as defined in section 62A.011, subdivision 3, through the individual market, that covers, at a minimum, the standard benefit set established in subdivision 2. Enrollment under this section is administered by the Minnesota Health Insurance Exchange. Eligibility under this section is determined by the commissioner. All other provisions of sections 256L.01 to 256L.18, including the insurance-related barriers to enrollment under section 256L.07, apply to this section unless otherwise specified.

Subd. 2. **Benefit set.** The Minnesota Health Insurance Exchange, in consultation with the commissioner, shall establish a standard benefit set for health plans that qualify for a subsidy under this section. The standard benefit set must be reviewed, and, if necessary, modified on an annual basis. Notwithstanding section 256L.03, subdivision 5, the benefit set may require co-payments, deductibles, and maximum annual out-of-pocket enrollee cost-sharing limits.

Subd. 3. **Health carrier participation.** (a) Health insurers with at least three percent of the market share of premium volume from individual market health plans as determined from loss ratio reports filed under section 62A.021, subdivision 1, paragraph (h), shall offer at least one health plan that covers the standard benefit set, or its actuarial equivalent as determined by the commissioner of commerce, to children enrolled under this section. Health issuers shall offer a health plan that covers the standard benefit set, without a subsidy, to adults so that families can enroll in a single plan. Health insurers that are not required to participate may participate voluntarily. The Minnesota Health Insurance Exchange shall certify those health plans that meet the standards in subdivision 2 and qualify for a subsidy under this section.

(b) Health insurers offering coverage under this section may offer up to three additional health plan products approved by the commissioner of commerce as actuarially equivalent or better than the standard plan established in subdivision 2. The additional products must also qualify for a subsidy if purchased to cover children eligible under this section.

(c) Nothing in this subdivision requires guaranteed issue of MinnesotaCare II health plans.

Subd. 4. **State subsidy; premium.** The cost of coverage for children enrolled under this section is subsidized based on a sliding scale. The amount of the subsidy provided for a child is equal to the cost of the least expensive health plan certified to participate under this section less an amount equal to one-half of the premium that would be paid for the child under section 256L.15, subdivision 2. The commissioner shall pay the subsidy to the Minnesota Health Insurance Exchange. The premium for a child enrolled under this section is equal to the difference between the cost of the health plan through which the coverage is provided and the amount of the subsidy. The premium must be paid to the Minnesota Health Insurance Exchange.

Subd. 5. **Enrollment; limitation on changing plans.** Notwithstanding section 256L.04, subdivision 1, individual children in a family may enroll under this section or under section 256L.03. A child enrolled under this section may change health plans or switch to coverage under section 256L.03 at the time of annual renewal. An enrollee may change health plans or switch to coverage under section 256L.03 at other times during the year if the family of the child experiences a qualifying life event, including, but not limited to, marriage, divorce, a change in dependent status, change in family size, or a change in eligibility for state health care programs under this chapter or chapter 256B or 256D.

Subd. 6. **Bonus accounts incentive.** The Minnesota Health Insurance Exchange shall administer bonus accounts for families with children enrolled under this section. Funds must be credited to a bonus account when a child covered under this section achieves specific goals for preventive services or healthy behaviors. Funds credited to an account can be used by a family to reimburse qualified medical expenses as defined in Internal Revenue Code, section 213(d). The commissioner, in consultation with the Minnesota Health Insurance Exchange, shall establish a schedule of preventive service and healthy behavior goals that qualify for a credit and corresponding credit amounts. Families with children enrolled under this section can qualify for credits of up to \$50 per year per child, up to a maximum of \$150 per year per family. Funds held in the account are available to a family until:

(1) there is no longer a child under age 21 in the family; or

(2) no child in the family has been enrolled under chapter 256B or 256L, or in a health plan through the Minnesota Health Insurance Exchange for the past six months.

Subd. 7. **Federal approval.** The commissioner shall seek all federal waivers and approvals necessary to implement and receive federal financial participation for expenditures under this section.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 16. Minnesota Statutes 2006, section 256L.12, subdivision 7, is amended to read:

Subd. 7. **Managed care plan vendor requirements.** The following requirements apply to all counties or vendors who contract with the Department of Human Services to serve MinnesotaCare recipients. Managed care plan contractors:

(1) shall authorize and arrange for the provision of the full range of services listed in section 256L.03 in order to ensure appropriate health care is delivered to enrollees;

(2) shall accept the prospective, per capita payment or other contractually defined payment from the commissioner in return for the provision and coordination of covered health care services for eligible individuals enrolled in the program;

(3) may contract with other health care and social service practitioners to provide services to enrollees;

(4) shall provide for an enrollee grievance process as required by the commissioner and set forth in the contract with the department;

(5) shall retain all revenue from enrollee co-payments;

(6) shall accept all eligible MinnesotaCare enrollees, without regard to health status or previous utilization of health services;

(7) shall demonstrate capacity to accept financial risk according to requirements specified in the contract with the department. A health maintenance organization licensed under chapter 62D, or a nonprofit health plan licensed under chapter 62C, is not required to demonstrate financial risk capacity, beyond that which is required to comply with chapters 62C and 62D; ~~and~~

(8) shall submit information as required by the commissioner, including data required for assessing enrollee satisfaction, quality of care, cost, and utilization of services; and

(9) shall participate in the Minnesota Health Insurance Exchange under section 62A.67 for the purpose of enrolling individuals under this chapter.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 17. Minnesota Statutes 2006, section 256L.15, subdivision 1a, is amended to read:

Subd. 1a. **Payment options.** (a) The commissioner may offer the following payment options to an enrollee:

(1) payment by check;

(2) payment by credit card;

(3) payment by recurring automatic checking withdrawal;

- (4) payment by onetime electronic transfer of funds;
- (5) payment by wage withholding with the consent of the employer and the employee; or
- (6) payment by using state tax refund payments.

At application or reapplication, a MinnesotaCare applicant or enrollee may authorize the commissioner to use the Revenue Recapture Act in chapter 270A to collect funds from the applicant's or enrollee's refund for the purposes of meeting all or part of the applicant's or enrollee's MinnesotaCare premium obligation. The applicant or enrollee may authorize the commissioner to apply for the state working family tax credit on behalf of the applicant or enrollee. The setoff due under this subdivision shall not be subject to the \$10 fee under section 270A.07, subdivision 1.

(b) Effective January 1, 2009, the Minnesota Health Insurance Exchange under section 62A.67 is responsible for collecting MinnesotaCare premiums.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 18. Minnesota Statutes 2006, section 256L.15, subdivision 2, is amended to read:

Subd. 2. **Sliding fee scale; monthly gross individual or family income.** (a) The commissioner shall establish a sliding fee scale to determine the percentage of monthly gross individual or family income that households at different income levels must pay to obtain coverage through the MinnesotaCare program. The sliding fee scale must be based on the enrollee's monthly gross individual or family income. The sliding fee scale must contain separate tables based on enrollment of one, two, or three or more persons. The sliding fee scale begins with a premium of 1.5 percent of monthly gross individual or family income for individuals or families with incomes below the limits for the medical assistance program for families and children in effect on January 1, 1999, and proceeds through the following evenly spaced steps: 1.8, 2.3, 3.1, 3.8, 4.8, 5.9, 7.4, and 8.8 percent. These percentages are matched to evenly spaced income steps ranging from the medical assistance income limit for families and children in effect on January 1, 1999, to 275 percent of the federal poverty guidelines for the applicable family size, up to a family size of five. The sliding fee scale for a family of five must be used for families of more than five. Effective October 1, 2003, the commissioner shall increase each percentage by 0.5 percentage points for enrollees with income greater than 100 percent but not exceeding 200 percent of the federal poverty guidelines and shall increase each percentage by 1.0 percentage points for families and children with incomes greater than 200 percent of the federal poverty guidelines. The sliding fee scale and percentages are not subject to the provisions of chapter 14. If a family or individual reports ~~increased a change in~~ income after enrollment, premiums shall not be adjusted ~~at the time the change in income is reported until eligibility renewal.~~

(b) Beginning January 1, 2009, a new sliding fee scale premium schedule is established for children. The premium schedule for children must be used in conjunction with the premium schedule in paragraph (a) for adults to calculate a single MinnesotaCare premium for a family. The sliding fee scale begins with a premium of \$11 per child for households with incomes equal to or greater than 150 percent of the federal poverty guidelines. Premiums must be adjusted at evenly spaced income steps at increments of five percent of the federal poverty guidelines to a maximum premium of \$88 per child for households with incomes equal to 300 percent of the federal poverty guidelines. Premiums must be calculated for up to three children per family. Premiums for children must be adjusted annually at an amount that is proportional to the annual adjustment in premiums for adults. The sliding fee scale in this paragraph does not apply to children enrolled under section 256L.075.

~~(b)~~ (c) Children in families whose gross income is above ~~275~~ 300 percent of the federal poverty guidelines shall pay the maximum premium. The maximum premium is defined as a base charge for one, two, or three or more enrollees so that if all MinnesotaCare cases paid the maximum premium, the total revenue would equal the total cost

of MinnesotaCare medical coverage and administration. In this calculation, administrative costs shall be assumed to equal ten percent of the total. The costs of medical coverage for pregnant women and children under age two and the enrollees in these groups shall be excluded from the total. The maximum premium for two enrollees shall be twice the maximum premium for one, and the maximum premium for three or more enrollees shall be three times the maximum premium for one.

~~(e) After calculating the percentage of premium each enrollee shall pay under paragraph (a), eight percent shall be added to the premium.~~

**EFFECTIVE DATE.** Paragraphs (a) and (b) are effective January 1, 2009, or upon federal approval, whichever is later. The commissioner shall notify the Office of the Revisor of Statutes when federal approval is obtained. Paragraph (c) is effective July 1, 2007.

Sec. 19. Minnesota Statutes 2006, section 256L.15, is amended by adding a subdivision to read:

**Subd. 5. Premium discount incentive.** Adults and families with children are eligible for a premium reduction of \$3 per month for each child who met goals for preventive care or an adult who met goals for cardiac or diabetes care in the previous calendar year. The maximum premium reduction may not exceed \$15 per month per family. The commissioner, in consultation with the Minnesota Health Insurance Exchange, shall establish specific goals for preventive care, including cardiac and diabetes care, that make an enrollee eligible for the premium reduction. The premium discount incentive is administered by the Minnesota Health Insurance Exchange under section 62A.67. Children enrolled under section 256L.075 are not eligible for the premium discount incentive.

**EFFECTIVE DATE.** This section is effective January 1, 2009."

Page 478, line 9, delete "\$6,416,000" and insert "\$22,416,000"

Page 478, line 10, delete "\$5,643,000" and insert "\$29,643,000"

Adjust amounts accordingly

Renumber or reletter in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Sviggum amendment and the roll was called. There were 44 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Gottwalt	Kohls	Peppin	Tingelstad
Anderson, B.	DeLaForest	Gunther	Lanning	Ruth	Urdahl
Anderson, S.	Demmer	Hackbarth	Magnus	Seifert	Westrom
Beard	Dettmer	Hamilton	McFarlane	Severson	Zellers
Berns	Emmer	Heidgerken	McNamara	Shimanski	
Brod	Erickson	Holberg	Nornes	Simpson	
Buesgens	Finstad	Hoppe	Olson	Smith	
Cornish	Garofalo	Howes	Paulsen	Sviggum	

Those who voted in the negative were:

Anzelc	Erhardt	Johnson	Mahoney	Pelowski	Thao
Atkins	Faust	Juhnke	Mariani	Peterson, A.	Thissen
Benson	Fritz	Kahn	Marquart	Peterson, N.	Tillberry
Bigham	Gardner	Kalin	Masin	Peterson, S.	Tschumper
Bly	Greiling	Knuth	Moe	Poppe	Wagenius
Brown	Hansen	Koenen	Morgan	Rukavina	Walker
Brynaert	Hausman	Kranz	Morrow	Ruud	Ward
Bunn	Haws	Laine	Mullery	Sailer	Walti
Clark	Hilstrom	Lenczewski	Murphy, E.	Scalze	Winkler
Davnie	Hilty	Lesch	Murphy, M.	Sertich	Wollschlager
Dill	Hornstein	Liebling	Nelson	Simon	Spk. Kelliher
Dittrich	Hortman	Lieder	Norton	Slawik	
Dominguez	Hosch	Lillie	Olin	Slocum	
Doty	Huntley	Loeffler	Otremba	Solberg	
Eken	Jaros	Madore	Paymar	Swails	

The motion did not prevail and the amendment was not adopted.

Peppin moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 331, line 24, after "2008," insert "but only if the commissioner of commerce completes an evaluation of the language interpreter mandate under section 62J.26,"

A roll call was requested and properly seconded.

The question was taken on the Peppin amendment and the roll was called. There were 38 yeas and 90 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	DeLaForest	Gottwalt	Magnus	Ruth	Urdahl
Anderson, S.	Demmer	Gunther	McFarlane	Seifert	Westrom
Beard	Dettmer	Heidgerken	McNamara	Severson	Zellers
Berns	Emmer	Holberg	Nornes	Shimanski	
Brod	Erickson	Hoppe	Olson	Simpson	
Buesgens	Finstad	Kohls	Paulsen	Smith	
Cornish	Garofalo	Lanning	Peppin	Sviggum	

Those who voted in the negative were:

Abeler	Clark	Faust	Hornstein	Kalin	Lillie
Anzelc	Davnie	Fritz	Hortman	Knuth	Loeffler
Atkins	Dean	Gardner	Hosch	Koenen	Madore
Benson	Dill	Greiling	Howes	Kranz	Mahoney
Bigham	Dittrich	Hansen	Huntley	Laine	Mariani
Bly	Dominguez	Hausman	Jaros	Lenczewski	Marquart
Brown	Doty	Haws	Johnson	Lesch	Masin
Brynaert	Eken	Hilstrom	Juhnke	Liebling	Moe
Bunn	Erhardt	Hilty	Kahn	Lieder	Morgan

Morrow	Olin	Peterson, S.	Sertich	Thao	Walker
Mullery	Otremba	Poppe	Simon	Thissen	Ward
Murphy, E.	Paymar	Rukavina	Slawik	Tillberry	Walti
Murphy, M.	Pelowski	Ruud	Slocum	Tingelstad	Winkler
Nelson	Peterson, A.	Sailer	Solberg	Tschumper	Wollschlager
Norton	Peterson, N.	Scalze	Swails	Wagenius	Spk. Kelliher

The motion did not prevail and the amendment was not adopted.

Dean moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 496, after line 22, insert:

"Of this amount, \$1,000,000 each year is for the commissioner of human services to provide an additional reduction in the parental fee assessed under Minnesota Statutes, section 252.27, subdivision 2a, for children enrolled in medical assistance under Minnesota Statutes, section 256B.055, subdivision 12."

Page 513, delete lines 28 to 30

Adjust amounts accordingly

A roll call was requested and properly seconded.

The question was taken on the Dean amendment and the roll was called. There were 49 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dettmer	Hackbarth	Kohls	Pelowski	Urdahl
Anderson, S.	Eken	Hamilton	Lanning	Peppin	Ward
Beard	Emmer	Haws	Magnus	Ruth	Westrom
Brod	Erickson	Heidgerken	McNamara	Seifert	Zellers
Buesgens	Finstad	Holberg	Nornes	Severson	
Cornish	Fritz	Hoppe	Olin	Shimanski	
Dean	Garofalo	Hosch	Olson	Simpson	
DeLaForest	Gottwalt	Howes	Otremba	Smith	
Demmer	Gunther	Koenen	Paulsen	Sviggum	

Those who voted in the negative were:

Abeler	Brynaert	Erhardt	Hornstein	Knuth	Loeffler
Anzelc	Bunn	Faust	Hortman	Kranz	Madore
Atkins	Clark	Gardner	Huntley	Laine	Mahoney
Benson	Davnie	Greiling	Jaros	Lenczewski	Mariani
Berns	Dill	Hansen	Johnson	Lesch	Marquart
Bigham	Dittrich	Hausman	Juhnke	Liebling	Masin
Bly	Dominguez	Hilstrom	Kahn	Lieder	McFarlane
Brown	Doty	Hilty	Kalin	Lillie	Moe

Morgan	Norton	Rukavina	Slawik	Tillberry	Winkler
Morrow	Paymar	Ruud	Slocum	Tingelstad	Wollschlager
Mullery	Peterson, A.	Sailer	Solberg	Tschumper	Spk. Kelliher
Murphy, E.	Peterson, N.	Scalze	Swails	Wagenius	
Murphy, M.	Peterson, S.	Sertich	Thao	Walker	
Nelson	Poppe	Simon	Thissen	Walti	

The motion did not prevail and the amendment was not adopted.

Laine and Abeler moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 314, after line 17, insert:

"Sec. 25. Minnesota Statutes 2006, section 144.651, subdivision 9, is amended to read:

Subd. 9. **Information about treatment.** Patients and residents shall be given by their physicians complete and current information concerning their diagnosis, treatment, alternatives, risks, and prognosis as required by the physician's legal duty to disclose. This information shall be in terms and language the patients or residents can reasonably be expected to understand. Patients and residents may be accompanied by a family member or other chosen representative, or both. This information shall include the likely medical or major psychological results of the treatment and its alternatives. In cases where it is medically inadvisable, as documented by the attending physician in a patient's or resident's medical record, the information shall be given to the patient's or resident's guardian or other person designated by the patient or resident as a representative. Individuals have the right to refuse this information.

Every patient or resident suffering from any form of breast cancer shall be fully informed, prior to or at the time of admission and during her stay, of all alternative effective methods of treatment of which the treating physician is knowledgeable, including surgical, radiological, or chemotherapeutic treatments or combinations of treatments and the risks associated with each of those methods.

Sec. 26. Minnesota Statutes 2006, section 144.651, subdivision 10, is amended to read:

Subd. 10. **Participation in planning treatment; notification of family members.** (a) Patients and residents shall have the right to participate in the planning of their health care. This right includes the opportunity to discuss treatment and alternatives with individual caregivers, the opportunity to request and participate in formal care conferences, and the right to include a family member or other chosen representative, or both. In the event that the patient or resident cannot be present, a family member or other representative chosen by the patient or resident may be included in such conferences. A patient who is an expectant mother has the right to the presence of a doula of the patient's choice.

(b) If a patient or resident who enters a facility is unconscious or comatose or is unable to communicate, the facility shall make reasonable efforts as required under paragraph (c) to notify either a family member or a person designated in writing by the patient as the person to contact in an emergency that the patient or resident has been admitted to the facility. The facility shall allow the family member to participate in treatment planning, unless the facility knows or has reason to believe the patient or resident has an effective advance directive to the contrary or knows the patient or resident has specified in writing that they do not want a family member included in treatment planning. After notifying a family member but prior to allowing a family member to participate in treatment planning, the facility must make reasonable efforts, consistent with reasonable medical practice, to determine if the patient or resident has executed an advance directive relative to the patient or resident's health care decisions. For purposes of this paragraph, "reasonable efforts" include:



(1) examining the personal effects of the patient or resident;

(2) examining the medical records of the patient or resident in the possession of the facility;

(3) inquiring of any emergency contact or family member contacted under this section whether the patient or resident has executed an advance directive and whether the patient or resident has a physician to whom the patient or resident normally goes for care; and

(4) inquiring of the physician to whom the patient or resident normally goes for care, if known, whether the patient or resident has executed an advance directive. If a facility notifies a family member or designated emergency contact or allows a family member to participate in treatment planning in accordance with this paragraph, the facility is not liable to the patient or resident for damages on the grounds that the notification of the family member or emergency contact or the participation of the family member was improper or violated the patient's privacy rights.

(c) In making reasonable efforts to notify a family member or designated emergency contact, the facility shall attempt to identify family members or a designated emergency contact by examining the personal effects of the patient or resident and the medical records of the patient or resident in the possession of the facility. If the facility is unable to notify a family member or designated emergency contact within 24 hours after the admission, the facility shall notify the county social service agency or local law enforcement agency that the patient or resident has been admitted and the facility has been unable to notify a family member or designated emergency contact. The county social service agency and local law enforcement agency shall assist the facility in identifying and notifying a family member or designated emergency contact. A county social service agency or local law enforcement agency that assists a facility in implementing this subdivision is not liable to the patient or resident for damages on the grounds that the notification of the family member or emergency contact or the participation of the family member was improper or violated the patient's privacy rights."

Page 317, after line 19, insert:

"Sec. 31. **[146B.01] DEFINITIONS.**

**Subdivision 1. Applicability.** The definitions in this section apply to this chapter.

**Subd. 2. Certified doula.** "Certified doula" means an individual who has received a certification to perform doula services from the International Childbirth Education Association, the Doulas of North America (DONA), the Association of Labor Assistants and Childbirth Educators (ALACE), Birthworks, Childbirth and Postpartum Professional Association (CAPPA), or Childbirth International.

**Subd. 3. Commissioner.** "Commissioner" means the commissioner of health.

**Subd. 4. Doula services.** "Doula services" means emotional and physical support during pregnancy, labor, birth, and postpartum.

**EFFECTIVE DATE.** This section is effective July 1, 2007.

Sec. 32. **[146B.02] REGISTRY.**

**Subdivision 1. Establishment.** The commissioner of health shall maintain a registry of certified doulas who have met the requirements listed in subdivision 2.

Subd. 2. **Qualifications.** The commissioner shall include on the registry any individual who:

(1) submits an application on a form provided by the commissioner. The form must include the applicant's name, address, and contact information;

(2) maintains a current certification from one of the organizations listed in section 146B.01, subdivision 3;

(3) completes a criminal background check; and

(4) pays the fees required under section 146B.04.

Subd. 3. **Renewal.** Inclusion on the registry maintained by the commissioner is valid for three years. At the end of the three-year period, the certified doula may submit a new application to remain on the doula registry by meeting the requirements described in subdivision 2.

**EFFECTIVE DATE.** This section is effective July 1, 2007.

Sec. 33. **[146B.03] COMMISSIONER DUTIES.**

The commissioner shall establish and maintain the doula registry and:

(1) provide registry application forms;

(2) complete the criminal background checks on registry applicants; and

(3) maintain public access to the registry by providing a link to the registry on the Department of Health's Web site.

**EFFECTIVE DATE.** This section is effective July 1, 2007.

Sec. 34. **[146B.04] FEES.**

The application fee is \$142 every three years, which includes the cost of a criminal background check. This fee is nonrefundable.

**EFFECTIVE DATE.** This section is effective July 1, 2007."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Brod; Peppin; Hamilton; Gottwalt; Dettmer; Demmer; Finstad; Beard; Gunther; Erickson; Urdahl; Sviggum; Lanning; Shimanski; Zellers; Anderson, B., and Howes moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 181, after line 13, insert:

"Sec. 12. Minnesota Statutes 2006, section 256.9657, subdivision 1, is amended to read:

Subdivision 1. **Nursing home license surcharge.** (a) Effective July 1, 1993, each non-state-operated nursing home licensed under chapter 144A shall pay to the commissioner an annual surcharge according to the schedule in subdivision 4. The surcharge shall be calculated as \$620 per licensed bed. If the number of licensed beds is reduced, the surcharge shall be based on the number of remaining licensed beds the second month following the receipt of timely notice by the commissioner of human services that beds have been delicensed. The nursing home must notify the commissioner of health in writing when beds are delicensed. The commissioner of health must notify the commissioner of human services within ten working days after receiving written notification. If the notification is received by the commissioner of human services by the 15th of the month, the invoice for the second following month must be reduced to recognize the delicensing of beds. Beds on layaway status continue to be subject to the surcharge. The commissioner of human services must acknowledge a medical care surcharge appeal within 30 days of receipt of the written appeal from the provider.

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

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

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

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

~~(f)~~ Between April 1, 2002, and August 15, 2004, a facility governed by this subdivision may elect to assume full participation in the medical assistance program by agreeing to comply with all of the requirements of the medical assistance program, including the rate equalization law in section 256B.48, subdivision 1, paragraph (a), and all other requirements established in law or rule, and to begin intake of new medical assistance recipients. Rates will be determined under Minnesota Rules, parts 9549.0010 to 9549.0080. Notwithstanding section 256B.431, subdivision 27, paragraph (i), rate calculations will be subject to limits as prescribed in rule and law. Other than the adjustments in sections 256B.431, subdivisions 30 and 32; 256B.437, subdivision 3, paragraph (b), Minnesota Rules, part 9549.0057, and any other applicable legislation enacted prior to the finalization of rates, facilities assuming full participation in medical assistance under this paragraph are not eligible for any rate adjustments until the July 1 following their settle-up period.

**EFFECTIVE DATE.** This section is effective July 1, 2009."

Page 236, line 9, delete "2009" and insert "2007"

Page 236, line 10, delete "2011" and insert "2009"

Page 236, line 11, delete "2012" and insert "2010"

Page 240, line 18, delete "2009" and insert "2007"

Page 244, line 14, delete "October 1, 2009, October 1, 2010, and October 1, 2011" and insert "October 1, 2007, October 1, 2008, and October 1, 2009"

Page 244, line 17, delete "2009" and insert "2007"

Page 244, line 20, delete "2010" and insert "2008"

Page 244, line 22, delete "2011" and insert "2009"

Page 245, line 5, delete "2009" and insert "2007"

Page 245, line 6, delete "2010" and insert "2008" and delete "2011" and insert "2009"

Page 376, delete article 8, and insert:

## "ARTICLE 8

### HEALTHY CONNECTIONS

Section 1. Minnesota Statutes 2006, section 13.46, subdivision 2, is amended to read:

Subd. 2. **General.** (a) Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used, or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

- (1) according to section 13.05;
- (2) according to court order;
- (3) according to a statute specifically authorizing access to the private data;
- (4) to an agent of the welfare system, including a law enforcement person, attorney, or investigator acting for it in the investigation or prosecution of a criminal or civil proceeding relating to the administration of a program;
- (5) to personnel of the welfare system who require the data to verify an individual's identity; determine eligibility, amount of assistance, and the need to provide services to an individual or family across programs; evaluate the effectiveness of programs; and investigate suspected fraud;
- (6) to administer federal funds or programs;
- (7) between personnel of the welfare system working in the same program;
- (8) to the Department of Revenue to administer and evaluate tax refund or tax credit programs and to identify individuals who may benefit from these programs. The following information may be disclosed under this paragraph: an individual's and their dependent's names, dates of birth, Social Security numbers, income, addresses, and other data as required, upon request by the Department of Revenue. Disclosures by the commissioner of revenue to the commissioner of human services for the purposes described in this clause are governed by section 270B.14, subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent care credit under section 290.067, the Minnesota working family credit under section 290.0671, the property tax refund and rental credit under section 290A.04, and the Minnesota education credit under section 290.0674;
- (9) between the Department of Human Services, the Department of Education, and the Department of Employment and Economic Development for the purpose of monitoring the eligibility of the data subject for unemployment benefits, for any employment or training program administered, supervised, or certified by that agency, for the purpose of administering any rehabilitation program or child care assistance program, whether alone or in conjunction with the welfare system, or to monitor and evaluate the Minnesota family investment program by exchanging data on recipients and former recipients of food support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

(10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;

(11) data maintained by residential programs as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state according to Part C of Public Law 98-527 to protect the legal and human rights of persons with developmental disabilities or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;

(12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;

(13) data on a child support obligor who makes payments to the public agency may be disclosed to the Minnesota Office of Higher Education to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);

(14) participant Social Security numbers and names collected by the telephone assistance program may be disclosed to the Department of Revenue to conduct an electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;

(15) the current address of a Minnesota family investment program participant may be disclosed to law enforcement officers who provide the name of the participant and notify the agency that:

(i) the participant:

(A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony under the laws of the jurisdiction from which the individual is fleeing; or

(B) is violating a condition of probation or parole imposed under state or federal law;

(ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and

(iii) the request is made in writing and in the proper exercise of those duties;

(16) the current address of a recipient of general assistance or general assistance medical care may be disclosed to probation officers and corrections agents who are supervising the recipient and to law enforcement officers who are investigating the recipient in connection with a felony level offense;

(17) information obtained from food support applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the Food Stamp Act, according to Code of Federal Regulations, title 7, section 272.1(c);

(18) the address, Social Security number, and, if available, photograph of any member of a household receiving food support shall be made available, on request, to a local, state, or federal law enforcement officer if the officer furnishes the agency with the name of the member and notifies the agency that:

(i) the member:

(A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

(B) is violating a condition of probation or parole imposed under state or federal law; or

(C) has information that is necessary for the officer to conduct an official duty related to conduct described in subitem (A) or (B);

(ii) locating or apprehending the member is within the officer's official duties; and

(iii) the request is made in writing and in the proper exercise of the officer's official duty;

(19) the current address of a recipient of Minnesota family investment program, general assistance, general assistance medical care, or food support may be disclosed to law enforcement officers who, in writing, provide the name of the recipient and notify the agency that the recipient is a person required to register under section 243.166, but is not residing at the address at which the recipient is registered under section 243.166;

(20) certain information regarding child support obligors who are in arrears may be made public according to section 518A.74;

(21) data on child support payments made by a child support obligor and data on the distribution of those payments excluding identifying information on obligees may be disclosed to all obligees to whom the obligor owes support, and data on the enforcement actions undertaken by the public authority, the status of those actions, and data on the income of the obligor or obligee may be disclosed to the other party;

(22) data in the work reporting system may be disclosed under section 256.998, subdivision 7;

(23) to the Department of Education for the purpose of matching Department of Education student data with public assistance data to determine students eligible for free and reduced price meals, meal supplements, and free milk according to United States Code, title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state funds that are distributed based on income of the student's family; and to verify receipt of energy assistance for the telephone assistance plan;

(24) the current address and telephone number of program recipients and emergency contacts may be released to the commissioner of health or a local board of health as defined in section 145A.02, subdivision 2, when the commissioner or local board of health has reason to believe that a program recipient is a disease case, carrier, suspect case, or at risk of illness, and the data are necessary to locate the person;

(25) to other state agencies, statewide systems, and political subdivisions of this state, including the attorney general, and agencies of other states, interstate information networks, federal agencies, and other entities as required by federal regulation or law for the administration of the child support enforcement program;

(26) to personnel of public assistance programs as defined in section 256.741, for access to the child support system database for the purpose of administration, including monitoring and evaluation of those public assistance programs;

(27) to monitor and evaluate the Minnesota family investment program by exchanging data between the Departments of Human Services and Education, on recipients and former recipients of food support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

(28) to evaluate child support program performance and to identify and prevent fraud in the child support program by exchanging data between the Department of Human Services, Department of Revenue under section 270B.14, subdivision 1, paragraphs (a) and (b), without regard to the limitation of use in paragraph (c), Department of Health, Department of Employment and Economic Development, and other state agencies as is reasonably necessary to perform these functions; ~~or~~

(29) counties operating child care assistance programs under chapter 119B may disseminate data on program participants, applicants, and providers to the commissioner of education; or

(30) pursuant to section 256L.02, subdivision 6, between the welfare system and the Minnesota Health Insurance Exchange, under section 62A.67, in order to enroll and collect premiums from individuals in the MinnesotaCare program under chapter 256L and to administer the individual's and their families' participation in the program.

(b) Information on persons who have been treated for drug or alcohol abuse may only be disclosed according to the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16), (17), or (18), or paragraph (b), are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

(d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but is not subject to the access provisions of subdivision 10, paragraph (b).

For the purposes of this subdivision, a request will be deemed to be made in writing if made through a computer interface system.

Sec. 2. **[62A.67] MINNESOTA HEALTH INSURANCE EXCHANGE.**

Subdivision 1. **Title; citation.** This section may be cited as the "Minnesota Health Insurance Exchange."

Subd. 2. **Creation; tax exemption.** The Minnesota Health Insurance Exchange is created for the limited purpose of providing individuals with greater access, choice, portability, and affordability of health insurance products. The Minnesota Health Insurance Exchange is a not-for-profit corporation under chapter 317A and section 501(c) of the Internal Revenue Code.

Subd. 3. **Definitions.** The following terms have the meanings given them unless otherwise provided in text.

(a) "Board" means the board of directors of the Minnesota Health Insurance Exchange under subdivision 13.

(b) "Commissioner" means:

(1) the commissioner of commerce for health insurers subject to the jurisdiction of the Department of Commerce;

(2) the commissioner of health for health insurers subject to the jurisdiction of the Department of Health; or

(3) either commissioner's designated representative.

(c) "Exchange" means the Minnesota Health Insurance Exchange.

(d) "HIPAA" means the Health Insurance Portability and Accountability Act of 1996.

(e) "Individual market health plans," unless otherwise specified, means individual market health plans defined in section 62A.011 and MinnesotaCare II products as defined in chapter 256L.

(f) "Section 125 Plan" means a Premium Only Plan under section 125 of the Internal Revenue Code.

Subd. 4. **Insurer and health plan participation.** All health plans as defined in section 62A.011, subdivision 3, issued or renewed in the individual market shall participate in the exchange. No health plans in the individual market may be issued or renewed outside of the exchange. Group health plans as defined in section 62A.10 shall not be offered through the exchange. Health plans offered through the Minnesota Comprehensive Health Association as defined in section 62E.10 are offered through the exchange to eligible enrollees as determined by the Minnesota Comprehensive Health Association. Health plans offered through MinnesotaCare and MinnesotaCare II under chapter 256L are offered through the exchange to eligible enrollees as determined by the commissioner of human services.

Subd. 5. **Approval of health plans.** No health plan may be offered through the exchange unless the commissioner has first certified that:

(1) the insurer seeking to offer the health plan is licensed to issue health insurance in the state; and

(2) the health plan meets the requirements of this section, and the health plan and the insurer are in compliance with all other applicable health insurance laws.

Subd. 6. **Individual market health plans.** Individual market health plans offered through the exchange continue to be regulated by the commissioner as specified in chapters 62A, 62C, 62D, 62E, 62Q, and 72A, and must include the following provisions that apply to all health plans issued or renewed through the exchange:

(1) premiums for children under the age of 19 shall not vary by age in the exchange; and

(2) premiums for children under the age of 19 must be excluded from rating factors requirements under section 62A.65, subdivision 3, paragraph (b).

Subd. 7. **MinnesotaCare II health plans.** Health plans approved for MinnesotaCare II under section 256L.075 shall be offered by participating insurers to exchange participants not enrolled in MinnesotaCare II.

Subd. 8. **Individual participation and eligibility.** Individuals are eligible to purchase health plans directly through the exchange or through an employer Section 125 Plan under section 62A.68. Nothing in this section requires guaranteed issue of individual market health plans offered through the exchange. Individuals are eligible to purchase individual market health plans through the exchange by meeting one or more of the following qualifications:

(1) the individual is a Minnesota resident, meaning the individual is physically residing on a permanent basis in a place that is the person's principal residence and from which the person is absent only for temporary purposes;

(2) the individual is a student attending an institution outside of Minnesota and maintains Minnesota residency;

(3) the individual is not a Minnesota resident but is employed by an employer physically located within the state and the individual's employer does not offer a group health insurance plan as defined in section 62A.10, but does offer a Section 125 Plan through the exchange under section 62A.68;

(4) the individual is not a Minnesota resident but is self-employed and the individual's principal place of business is in the state; or

(5) the individual is a dependent as defined in section 62L.02, of another individual who is eligible to participate in the exchange.



Subd. 9. **Continuation of coverage.** Enrollment in a health plan may be canceled for nonpayment of premiums, fraud, or changes in eligibility for MinnesotaCare under chapter 256L. Enrollment in an individual market health plan may not be canceled or renewed because of any change in employer or employment status, marital status, health status, age, residence, or any other change that does not affect eligibility as defined in this section.

Subd. 10. **Responsibilities of the exchange.** The exchange shall serve as the sole entity for enrollment and collection and transfer of premium payments for health plans offered through the exchange. The exchange shall be responsible for the following functions:

- (1) publicize the exchange, including but not limited to its functions, eligibility rules, and enrollment procedures;
- (2) provide assistance to employers to set up an employer Section 125 Plan under section 62A.68;
- (3) create a system to allow individuals to compare and enroll in health plans offered through the exchange;
- (4) create a system to collect and transmit to the applicable plans all premium payments or contributions made by or on behalf of individuals, including developing mechanisms to receive and process automatic payroll deductions for individuals enrolled in employer Section 125 Plans;
- (5) refer individuals interested in MinnesotaCare or MinnesotaCare II under chapter 256L to the Department of Human Services to determine eligibility;
- (6) establish a mechanism with the Department of Human Services to transfer premiums and subsidies for MinnesotaCare and MinnesotaCare II to qualify for federal matching payments;
- (7) administer bonus accounts as defined in chapter 256L to reimburse MinnesotaCare II enrollees for qualified medical expenses under section 213(d) of the Internal Revenue Code;
- (8) collect and assess information for eligibility for bonus accounts and premium incentives under chapter 256L;
- (9) upon request, issue certificates of previous coverage according to the provisions of HIPAA and as referenced in section 62Q.181 to all such individuals who cease to be covered by a participating health plan through the exchange;
- (10) establish procedures to account for all funds received and disbursed by the exchange for individual participants of the exchange; and
- (11) make available to the public, at the end of each calendar year, a report of an independent audit of the exchange's accounts.

Subd. 11. **Powers of the exchange.** The exchange shall have the power to:

- (1) contract with insurance producers licensed in accident and health insurance under chapter 60K and vendors to perform one or more of the functions specified in subdivision 10;
- (2) contract with employers to act as the plan administrator for participating employer Section 125 Plans and to undertake the obligations required by federal law of a plan administrator;
- (3) establish and assess fees on health plan premiums of health plans purchased through the exchange to fund the cost of administering the exchange;

(4) seek and directly receive grant funding from government agencies or private philanthropic organizations to defray the costs of operating the exchange;

(5) establish and administer rules and procedures governing the operations of the exchange;

(6) establish one or more service centers within Minnesota;

(7) sue or be sued or otherwise take any necessary or proper legal action;

(8) establish bank accounts and borrow money; and

(9) enter into agreements with the commissioners of commerce, health, human services, revenue, employment and economic development, and other state agencies as necessary for the exchange to implement the provisions of this section.

Subd. 12. **Dispute resolution.** The exchange shall establish procedures for resolving disputes with respect to the eligibility of an individual to participate in the exchange. The exchange does not have the authority or responsibility to intervene in or resolve disputes between an individual and a health plan or health insurer. The exchange shall refer complaints from individuals participating in the exchange to the commissioner of human services to be resolved according to sections 62Q.68 to 62Q.73.

Subd. 13. **Governance.** The exchange shall be governed by a board of directors with 11 members. The board shall convene on or before July 1, 2007, after the initial board members have been selected. The initial board membership consists of the following:

(1) the commissioner of commerce;

(2) the commissioner of human services;

(3) the commissioner of health;

(4) four members appointed by a joint committee of the Minnesota senate and the Minnesota house of representatives to serve three-year terms; and

(5) four members appointed by the governor to serve three-year terms.

Subd. 14. **Subsequent board membership.** Ongoing membership of the exchange consists of the following effective July 1, 2010:

(1) the commissioner of commerce;

(2) the commissioner of human services;

(3) the commissioner of health;

(4) four members appointed by the governor with the approval of a joint committee of the senate and house of representatives to serve two- or three-year terms. Appointed members may serve more than one term; and

(5) four members elected by the membership of the exchange of which two are elected to serve a two-year term and two are elected to serve a three-year term. Elected members may serve more than one term.

Subd. 15. **Operations of the board.** Officers of the board of directors are elected by members of the board and serve one-year terms. Six members of the board constitutes a quorum, and the affirmative vote of six members of the board is necessary and sufficient for any action taken by the board. Board members serve without pay, but are reimbursed for actual expenses incurred in the performance of their duties.

Subd. 16. **Operations of the exchange.** The board of directors shall appoint an exchange director who shall:

(1) be a full-time employee of the exchange;

(2) administer all of the activities and contracts of the exchange; and

(3) hire and supervise the staff of the exchange.

Subd. 17. **Insurance producers.** When a producer licensed in accident and health insurance under chapter 60K enrolls an eligible individual in the exchange, the health plan chosen by an individual may pay the producer a commission.

Subd. 18. **Implementation.** Health plan coverage through the exchange begins on January 1, 2009. The exchange must be operational to assist employers and individuals by September 1, 2008, and be prepared for enrollment by December 1, 2008. Enrollees of individual market health plans, MinnesotaCare, and the Minnesota Comprehensive Health Association as of December 2, 2008, are automatically enrolled in the exchange on January 1, 2009, in the same health plan and at the same premium that they were enrolled as of December 2, 2008, subject to the provisions of this section. As of January 1, 2009, all enrollees of individual market health plans, MinnesotaCare, and the Minnesota Comprehensive Health Association shall make premium payments to the exchange.

Subd. 19. **Study of insurer issue requirements.** In consultation with the commissioners of commerce and health, the exchange shall study and make recommendations on rating requirements and risk adjustment mechanisms that could be implemented to facilitate increased enrollment in the exchange by employers and employees through employer Section 125 Plans. The exchange shall report study findings and recommendations to the chairs of house and senate committees having jurisdiction over commerce and health by January 15, 2011.

### Sec. 3. **[62A.68] SECTION 125 PLANS.**

Subdivision 1. **Definitions.** The following terms have the meanings given unless otherwise provided in text:

(a) "Current employee" means an employee currently on an employer's payroll other than a retiree or disabled former employee.

(b) "Employer" means a person, firm, corporation, partnership, association, business trust, or other entity employing one or more persons, including a political subdivision of the state, filing payroll tax information on such employed person or persons.

(c) "Section 125 Plan" means a Premium Only Plan under section 125 of the Internal Revenue Code.

(d) "Exchange" means the Minnesota Health Insurance Exchange under section 62A.67.

(e) "Exchange director" means the appointed director under section 62A.67, subdivision 16.

Subd. 2. **Section 125 Plan requirement.** Effective January 1, 2009, all employers with 11 or more current employees shall offer a Section 125 Plan through the exchange to allow their employees to pay for health insurance premiums with pretax dollars. The following employers are exempt from the Section 125 Plan requirement:

(1) employers that offer a group health insurance plan as defined in 62A.10;

(2) employers that offer group health insurance through a self-insured plan as defined in section 62E.02; and

(3) employers with fewer than 11 current employees, except that employers under this clause may voluntarily offer a Section 125 Plan.

Subd. 3. **Tracking compliance.** By July 1, 2008, the exchange, in consultation with the commissioners of commerce, health, employment and economic development, and revenue shall establish a method for tracking employer compliance with the Section 125 Plan requirement.

Subd. 4. **Employer requirements.** Employers that are required to offer or choose to offer a Section 125 Plan through the exchange shall enter into an annual binding agreement with the exchange, which includes the terms in paragraphs (a) to (h).

(a) The employer shall designate the exchange director to be the plan's administrator for the employer's plan and the exchange director agrees to undertake the obligations required of a plan administrator under federal law.

(b) Only the coverage and benefits offered by participating insurers in the exchange constitutes the coverage and benefits of the participating employer plan.

(c) Any individual eligible to participate in the exchange may elect coverage under any participating health plan for which they are eligible, and neither the employer nor the exchange shall limit choice of coverage from among all the participating insurance plans for which the individual is eligible.

(d) The employer shall deduct premium amounts on a pretax basis in an amount not to exceed an employee's wages and make payments to the exchange as directed by employees for health plans employees enroll in through the exchange.

(e) The employer shall not offer individuals eligible to participate in the exchange any separate or competing group health plan under section 62A.10.

(f) The employer reserves the right to determine the terms and amounts of the employer's contribution to the plan, if any.

(g) The employer shall make available to the exchange any of the employer's documents, records, or information, including copies of the employer's federal and state tax and wage reports that are necessary for the exchange to verify:

(1) that the employer is in compliance with the terms of its agreement with the exchange governing the participating employer plan;

(2) that the participating employer plan is in compliance with applicable state and federal laws, including those relating to nondiscrimination in coverage; and

(3) the eligibility of those individuals enrolled in the participating employer plan.

(h) The exchange shall not provide the participating employer plan with any additional or different services or benefits not otherwise provided or offered to all other participating employer plans.

Subd. 5. **Section 125 eligible health plans.** Individuals eligible to enroll in health plans through an employer Section 125 Plan through the exchange may enroll in any health plan offered through the exchange for which the individual is eligible including individual market health plans, MinnesotaCare and MinnesotaCare II, and the Minnesota Comprehensive Health Association.

Sec. 4. Minnesota Statutes 2006, section 62E.141, is amended to read:

**62E.141 INCLUSION IN EMPLOYER-SPONSORED PLAN.**

No employee of an employer that offers a group health plan, under which the employee is eligible for coverage, is eligible to enroll, or continue to be enrolled, in the comprehensive health association, except for enrollment or continued enrollment necessary to cover conditions that are subject to an unexpired preexisting condition limitation, preexisting condition exclusion, or exclusionary rider under the employer's health plan. This section does not apply to persons enrolled in the Comprehensive Health Association as of June 30, 1993. With respect to persons eligible to enroll in the health plan of an employer that has more than 29 current employees, as defined in section 62L.02, this section does not apply to persons enrolled in the Comprehensive Health Association as of December 31, 1994.

Sec. 5. Minnesota Statutes 2006, section 62L.12, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) A health carrier may sell, issue, or renew individual conversion policies to eligible employees otherwise eligible for conversion coverage under section 62D.104 as a result of leaving a health maintenance organization's service area.

(b) A health carrier may sell, issue, or renew individual conversion policies to eligible employees otherwise eligible for conversion coverage as a result of the expiration of any continuation of group coverage required under sections 62A.146, 62A.17, 62A.21, 62C.142, 62D.101, and 62D.105.

(c) A health carrier may sell, issue, or renew conversion policies under section 62E.16 to eligible employees.

(d) A health carrier may sell, issue, or renew individual continuation policies to eligible employees as required.

(e) A health carrier may sell, issue, or renew individual health plans if the coverage is appropriate due to an unexpired preexisting condition limitation or exclusion applicable to the person under the employer's group health plan or due to the person's need for health care services not covered under the employer's group health plan.

(f) A health carrier may sell, issue, or renew an individual health plan, if the individual has elected to buy the individual health plan not as part of a general plan to substitute individual health plans for a group health plan nor as a result of any violation of subdivision 3 or 4.

(g) Nothing in this subdivision relieves a health carrier of any obligation to provide continuation or conversion coverage otherwise required under federal or state law.

(h) Nothing in this chapter restricts the offer, sale, issuance, or renewal of coverage issued as a supplement to Medicare under sections 62A.3099 to 62A.44, or policies or contracts that supplement Medicare issued by health maintenance organizations, or those contracts governed by sections 1833, 1851 to 1859, 1860D, or 1876 of the federal Social Security Act, United States Code, title 42, section 1395 et seq., as amended.

(i) Nothing in this chapter restricts the offer, sale, issuance, or renewal of individual health plans necessary to comply with a court order.

(j) A health carrier may offer, issue, sell, or renew an individual health plan to persons eligible for an employer group health plan, if the individual health plan is a high deductible health plan for use in connection with an existing health savings account, in compliance with the Internal Revenue Code, section 223. In that situation, the same or a different health carrier may offer, issue, sell, or renew a group health plan to cover the other eligible employees in the group.

(k) A health carrier may offer, sell, issue, or renew an individual health plan to one or more employees of a small employer if the individual health plan is marketed directly to all employees of the small employer and the small employer does not contribute directly or indirectly to the premiums or facilitate the administration of the individual health plan. The requirement to market an individual health plan to all employees does not require the health carrier to offer or issue an individual health plan to any employee. For purposes of this paragraph, an employer is not contributing to the premiums or facilitating the administration of the individual health plan if the employer does not contribute to the premium and merely collects the premiums from an employee's wages or salary through payroll deductions and submits payment for the premiums of one or more employees in a lump sum to the health carrier. Except for coverage under section 62A.65, subdivision 5, paragraph (b), or 62E.16, at the request of an employee, the health carrier may bill the employer for the premiums payable by the employee, provided that the employer is not liable for payment except from payroll deductions for that purpose. If an employer is submitting payments under this paragraph, the health carrier shall provide a cancellation notice directly to the primary insured at least ten days prior to termination of coverage for nonpayment of premium. Individual coverage under this paragraph may be offered only if the small employer has not provided coverage under section 62L.03 to the employees within the past 12 months.

The employer must provide a written and signed statement to the health carrier that the employer is not contributing directly or indirectly to the employee's premiums. The health carrier may rely on the employer's statement and is not required to guarantee-issue individual health plans to the employer's other current or future employees.

(l) Nothing in this chapter restricts the offer, sale, issuance, or renewal of individual health plans through the Minnesota Health Insurance Exchange under section 62A.67 or 62A.68.

**Sec. 6. [256.962] MINNESOTA HEALTH CARE PROGRAMS OUTREACH.**

Subdivision 1. **Public awareness and education.** The commissioner shall design and implement a statewide campaign to raise public awareness on the availability of health coverage through medical assistance, general assistance medical care, and MinnesotaCare and to educate the public on the importance of obtaining and maintaining health care coverage. The campaign shall include multimedia messages directed to the general population.

Subd. 2. **Outreach grants.** (a) The commissioner shall award grants to public and private organizations or regional collaboratives for outreach activities, including, but not limited to:

(1) providing information, applications, and assistance in obtaining coverage through Minnesota public health care programs;

(2) collaborating with public and private entities such as hospitals, providers, health plans, legal aid offices, pharmacies, insurance agencies, and faith-based organizations to develop outreach activities and partnerships to ensure the distribution of information and applications and provide assistance in obtaining coverage through Minnesota health care programs; and

(3) providing or collaborating with public and private entities to provide multilingual and culturally specific information and assistance to applicants in areas of high uninsurance in the state or populations with high rates of uninsurance.

(b) The commissioner shall ensure that all outreach materials are available in languages other than English.

(c) The commissioner shall establish an outreach trainer program to provide training to designated individuals from the community and public and private entities on application assistance in order for these individuals to provide training to others in the community on an as-needed basis.

Subd. 3. **Application and assistance.** (a) The Minnesota health care programs application must be made available at provider offices, local human services agencies, school districts, public and private elementary schools in which 25 percent or more of the students receive free or reduced price lunches, community health offices, Women, Infants and Children (WIC) program sites, Head Start program sites, public housing councils, child care centers, early childhood education and preschool program sites, legal aid offices, and libraries. The commissioner shall ensure that applications are available in languages other than English.

(b) Local human service agencies, hospitals, and health care community clinics receiving state funds must provide direct assistance in completing the application form, including the free use of a copy machine and a drop box for applications. These locations must ensure that the drop box is checked at least weekly and any applications are submitted to the commissioner. The commissioner shall provide these entities with an identification number to stamp on each application to identify the entity that provided assistance. Other locations where applications are required to be available shall either provide direct assistance in completing the application form or provide information on where an applicant can receive application assistance.

(c) Counties must offer applications and application assistance when providing child support collection services.

(d) Local public health agencies and counties that provide immunization clinics must offer applications and application assistance during these clinics.

(e) The commissioner shall coordinate with the commissioner of health to ensure that maternal and child health outreach efforts include information on Minnesota health care programs and application assistance, when needed.

Subd. 4. **Statewide toll-free telephone number.** The commissioner shall provide funds for a statewide toll-free telephone number to provide information on public and private health coverage options and sources of free and low-cost health care. The statewide telephone number must provide the option of obtaining this information in languages other than English.

Subd. 5. **Incentive program.** The commissioner shall establish an incentive program for organizations that directly identify and assist potential enrollees in filling out and submitting an application. For each applicant who is successfully enrolled in MinnesotaCare, medical assistance, or general assistance medical care, the commissioner shall pay the organization a \$25 application assistance bonus. The organization may provide an applicant a gift certificate or other incentive upon enrollment.

Subd. 6. **School districts.** (a) At the beginning of each school year, a school district shall provide information to each student on the availability of health care coverage through the Minnesota health care programs.

(b) For each child who is determined to be eligible for a free or reduced priced lunch, the district shall provide the child's family with an application for the Minnesota health care programs and information on how to obtain application assistance.

(c) A district shall also ensure that applications and information on application assistance are available at early childhood education sites and public schools located within the district's jurisdiction.

(d) Each district shall designate an enrollment specialist to provide application assistance and follow-up services with families who are eligible for the reduced or free lunch program or who have indicated an interest in receiving information or an application for the Minnesota health care program.

(e) Each school district shall provide on their Web site a link to information on how to obtain an application and application assistance.

Subd. 7. **Renewal notice.** (a) The commissioner shall mail a renewal notice to enrollees notifying the enrollees that the enrollees eligibility must be renewed. A notice shall be sent at least 90 days prior to the renewal date and at least 60 days prior to the renewal date.

(b) For enrollees who are receiving services through managed care plans, the managed care plan must provide a follow-up renewal call at least 60 days prior to the enrollees' renewal dates.

(c) The commissioner shall include the end of coverage dates on the monthly rosters of enrollees provided to managed care organizations.

Sec. 7. Minnesota Statutes 2006, section 256B.057, subdivision 8, is amended to read:

Subd. 8. **Children under age two.** Medical assistance may be paid for a child under two years of age whose countable family income is above 275 percent of the federal poverty guidelines for the same size family but less than or equal to ~~280~~ 305 percent of the federal poverty guidelines for the same size family.

**EFFECTIVE DATE.** This section is effective January 1, 2009, or upon federal approval, whichever is later. The commissioner of human services shall notify the Office of the Revisor of Statutes when federal approval is obtained.

Sec. 8. Minnesota Statutes 2006, section 256L.02, subdivision 3, is amended to read:

Subd. 3. **Financial management.** (a) The commissioner shall manage spending for the MinnesotaCare program in a manner that maintains a minimum reserve. As part of each state revenue and expenditure forecast, the commissioner must make an assessment of the expected expenditures for the covered services for the remainder of the current biennium and for the following biennium. The estimated expenditure, including the reserve, shall be compared to an estimate of the revenues that will be available in the health care access fund. Based on this comparison, and after consulting with the chairs of the house Ways and Means Committee and the senate Finance Committee, and the Legislative Commission on Health Care Access, the commissioner shall, as necessary, make the adjustments specified in paragraph (b) to ensure that expenditures remain within the limits of available revenues for the remainder of the current biennium and for the following biennium. The commissioner shall not hire additional staff using appropriations from the health care access fund until the commissioner of finance makes a determination that the adjustments implemented under paragraph (b) are sufficient to allow MinnesotaCare expenditures to remain within the limits of available revenues for the remainder of the current biennium and for the following biennium.

(b) The adjustments the commissioner shall use must be implemented in this order: first, stop enrollment of single adults and households without children; second, upon 45 days' notice, stop coverage of single adults and households without children already enrolled in the MinnesotaCare program; third, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income above 200 percent of the federal poverty guidelines; fourth, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income at or below 200 percent; and fifth, require applicants to be uninsured for at least six months prior to eligibility in the MinnesotaCare program. If these measures are insufficient to limit the expenditures to the estimated amount of revenue, the commissioner shall further limit enrollment or decrease premium subsidies.



(c) The commissioner shall work in cooperation with the Minnesota Health Insurance Exchange under section 62A.67 to make adjustments under paragraph (b) as required under this subdivision.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 9. Minnesota Statutes 2006, section 256L.02, is amended by adding a subdivision to read:

Subd. 5. **Enrollment responsibilities.** According to section 256L.05, subdivision 6, effective January 1, 2009, the Minnesota Health Insurance Exchange under section 62A.67 shall assume responsibility for enrolling eligible applicants and enrollees in a health plan for MinnesotaCare coverage. The commissioner shall maintain responsibility for determining eligibility for MinnesotaCare.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 10. Minnesota Statutes 2006, section 256L.02, is amended by adding a subdivision to read:

Subd. 6. **Exchange of data.** An entity that is part of the welfare system as defined in section 13.46, subdivision 1, paragraph (c), and the Minnesota Health Insurance Exchange under section 62A.67 may exchange private data about individuals without the individual's consent in order to enroll and collect premiums from individuals in the MinnesotaCare program under chapter 256L and to administer the individual's and the individual's family's participation in the program. This subdivision only applies if the entity that is part of the welfare system and the Minnesota Health Insurance Exchange have entered into an agreement that complies with the requirements in Code of Federal Regulations, title 45, section 164.314.

Sec. 11. Minnesota Statutes 2006, section 256L.04, subdivision 1, is amended to read:

Subdivision 1. **Families with children.** (a) A child in a family with family income equal to or less than 300 percent of the federal poverty guidelines for the applicable family size is eligible for MinnesotaCare under this section. Adults in families with children with family income equal to or less than 275 percent of the federal poverty guidelines for the applicable family size shall be eligible for MinnesotaCare according to this section. All other provisions of sections 256L.01 to 256L.18, including the insurance-related barriers to enrollment under section 256L.07, shall apply unless otherwise specified.

(b) Parents who enroll in the MinnesotaCare program must also enroll their children, if the children are eligible. Children may be enrolled separately without enrollment by parents. However, if one parent in the household enrolls, both parents must enroll, unless other insurance is available. If one child from a family is enrolled, all children must be enrolled, unless other insurance is available. If one spouse in a household enrolls, the other spouse in the household must also enroll, unless other insurance is available. Families cannot choose to enroll only certain uninsured members.

(c) Beginning October 1, 2003, the dependent sibling definition no longer applies to the MinnesotaCare program. These persons are no longer counted in the parental household and may apply as a separate household.

(d) Beginning July 1, 2003, or upon federal approval, whichever is later, parents are not eligible for MinnesotaCare if their gross income exceeds \$50,000.

**EFFECTIVE DATE.** This section is effective January 1, 2009, or upon federal approval, whichever is later. The commissioner of human services shall notify the Office of the Revisor of Statutes when federal approval is obtained.

Sec. 12. Minnesota Statutes 2006, section 256L.05, subdivision 5, is amended to read:

Subd. 5. **Availability of private insurance.** ~~(a) The commissioner, in consultation with the commissioners of health and commerce, shall provide information regarding the availability of private health insurance coverage and the possibility of disenrollment under section 256L.07, subdivision 1, paragraphs (b) and (c), to all: (1) families enrolled in the MinnesotaCare program whose gross family income is equal to or more than 225 percent of the federal poverty guidelines; and (2) single adults and households without children enrolled in the MinnesotaCare program whose gross family income is equal to or more than 165 percent of the federal poverty guidelines. This information must be provided~~ Minnesota Health Insurance Exchange under section 62A.67 upon initial enrollment and annually thereafter. ~~The commissioner shall also include information regarding the availability of private health insurance coverage in~~

~~(b) The notice of ineligibility provided to persons subject to disenrollment under section 256L.07, subdivision 1, paragraphs (b) and (c), must include information about assistance with identifying and selecting private health insurance coverage provided by the Minnesota Health Insurance Exchange under section 62A.67.~~

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 13. Minnesota Statutes 2006, section 256L.05, is amended by adding a subdivision to read:

Subd. 6. **Minnesota Health Insurance Exchange.** The commissioner shall refer all MinnesotaCare applicants and enrollees to the Minnesota Health Insurance Exchange under section 62A.67. The Minnesota Health Insurance Exchange shall provide those referred with assistance in selecting a managed care plan through which to receive MinnesotaCare covered services and in analyzing health plans available through the private market. MinnesotaCare applicants and enrollees shall effect enrollment in a managed care plan or a private market health plan through the Minnesota Health Insurance Exchange.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 14. Minnesota Statutes 2006, section 256L.06, subdivision 3, is amended to read:

Subd. 3. **Commissioner's duties and payment.** (a) Premiums are dedicated to the commissioner for MinnesotaCare.

(b) The commissioner shall develop and implement procedures to: (1) require enrollees to report changes in income; (2) adjust sliding scale premium payments ~~at the time of eligibility renewal~~, based upon both increases and decreases in enrollee income, ~~at the time the change in income is reported~~; and (3) disenroll enrollees from MinnesotaCare for failure to pay required premiums. Failure to pay includes payment with a dishonored check, a returned automatic bank withdrawal, or a refused credit card or debit card payment. The commissioner may demand a guaranteed form of payment, including a cashier's check or a money order, as the only means to replace a dishonored, returned, or refused payment.

(c) Premiums are calculated on a calendar month basis and may be paid on a monthly, quarterly, or semiannual basis, with the first payment due upon notice from the commissioner of the premium amount required. The commissioner shall inform applicants and enrollees of these premium payment options. Premium payment is required before enrollment is complete and to maintain eligibility in MinnesotaCare. Premium payments received before noon are credited the same day. Premium payments received after noon are credited on the next working day.

(d) Nonpayment of the premium will result in disenrollment from the plan effective for the calendar month for which the premium was due. Persons disenrolled for nonpayment or who voluntarily terminate coverage from the program may not reenroll until four calendar months have elapsed. Persons disenrolled for nonpayment who pay all past due premiums as well as current premiums due, including premiums due for the period of disenrollment, within 20 days of disenrollment, shall be reenrolled retroactively to the first day of disenrollment. Persons disenrolled for nonpayment or who voluntarily terminate coverage from the program may not reenroll for four calendar months unless the person demonstrates good cause for nonpayment. Good cause does not exist if a person chooses to pay other family expenses instead of the premium. The commissioner shall define good cause in rule.

**EFFECTIVE DATE.** This section is effective January 1, 2009, or upon federal approval, whichever is later. The commissioner shall notify the Office of the Revisor of Statutes when federal approval is obtained.

Sec. 15. **[256L.075] MINNESOTACARE II OPTION ESTABLISHED.**

**Subdivision 1. Program established; enrollment.** The Minnesota Health Insurance Exchange under section 62A.67, in consultation with the commissioner, shall establish and administer a program that subsidizes the purchase of private market health plans for children eligible for MinnesotaCare in families with family income above 200 percent, but not exceeding 300 percent, of the federal poverty guidelines. The program established under this section is referred to as MinnesotaCare II. The private market health coverage provided under this section is an alternative to coverage under section 256L.03. Notwithstanding section 256L.12, children obtaining coverage under this section shall enroll in a health plan, as defined in section 62A.011, subdivision 3, through the individual market, that covers, at a minimum, the standard benefit set established in subdivision 2. Enrollment under this section is administered by the Minnesota Health Insurance Exchange. Eligibility under this section is determined by the commissioner. All other provisions of sections 256L.01 to 256L.18, including the insurance-related barriers to enrollment under section 256L.07, apply to this section unless otherwise specified.

**Subd. 2. Benefit set.** The Minnesota Health Insurance Exchange, in consultation with the commissioner, shall establish a standard benefit set for health plans that qualify for a subsidy under this section. The standard benefit set must be reviewed, and, if necessary, modified on an annual basis. Notwithstanding section 256L.03, subdivision 5, the benefit set may require co-payments, deductibles, and maximum annual out-of-pocket enrollee cost-sharing limits.

**Subd. 3. Health carrier participation.** (a) Health insurers with at least three percent of the market share of premium volume from individual market health plans as determined from loss ratio reports filed under section 62A.021, subdivision 1, paragraph (h), shall offer at least one health plan that covers the standard benefit set, or its actuarial equivalent as determined by the commissioner of commerce, to children enrolled under this section. Health issuers shall offer a health plan that covers the standard benefit set, without a subsidy, to adults so that families can enroll in a single plan. Health insurers that are not required to participate may participate voluntarily. The Minnesota Health Insurance Exchange shall certify those health plans that meet the standards in subdivision 2 and qualify for a subsidy under this section.

(b) Health insurers offering coverage under this section may offer up to three additional health plan products approved by the commissioner of commerce as actuarially equivalent or better than the standard plan established in subdivision 2. The additional products must also qualify for a subsidy if purchased to cover children eligible under this section.

(c) Nothing in this subdivision requires guaranteed issue of MinnesotaCare II health plans.

**Subd. 4. State subsidy; premium.** The cost of coverage for children enrolled under this section is subsidized based on a sliding scale. The amount of the subsidy provided for a child is equal to the cost of the least expensive health plan certified to participate under this section less an amount equal to one-half of the premium that would be

paid for the child under section 256L.15, subdivision 2. The commissioner shall pay the subsidy to the Minnesota Health Insurance Exchange. The premium for a child enrolled under this section is equal to the difference between the cost of the health plan through which the coverage is provided and the amount of the subsidy. The premium must be paid to the Minnesota Health Insurance Exchange.

Subd. 5. **Enrollment; limitation on changing plans.** Notwithstanding section 256L.04, subdivision 1, individual children in a family may enroll under this section or under section 256L.03. A child enrolled under this section may change health plans or switch to coverage under section 256L.03 at the time of annual renewal. An enrollee may change health plans or switch to coverage under section 256L.03 at other times during the year if the family of the child experiences a qualifying life event, including, but not limited to, marriage, divorce, a change in dependent status, change in family size, or a change in eligibility for state health care programs under this chapter or chapter 256B or 256D.

Subd. 6. **Bonus accounts incentive.** The Minnesota Health Insurance Exchange shall administer bonus accounts for families with children enrolled under this section. Funds must be credited to a bonus account when a child covered under this section achieves specific goals for preventive services or healthy behaviors. Funds credited to an account can be used by a family to reimburse qualified medical expenses as defined in Internal Revenue Code, section 213(d). The commissioner, in consultation with the Minnesota Health Insurance Exchange, shall establish a schedule of preventive service and healthy behavior goals that qualify for a credit and corresponding credit amounts. Families with children enrolled under this section can qualify for credits of up to \$50 per year per child, up to a maximum of \$150 per year per family. Funds held in the account are available to a family until:

(1) there is no longer a child under age 21 in the family; or

(2) no child in the family has been enrolled under chapter 256B or 256L, or in a health plan through the Minnesota Health Insurance Exchange for the past six months.

Subd. 7. **Federal approval.** The commissioner shall seek all federal waivers and approvals necessary to implement and receive federal financial participation for expenditures under this section.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 16. Minnesota Statutes 2006, section 256L.12, subdivision 7, is amended to read:

Subd. 7. **Managed care plan vendor requirements.** The following requirements apply to all counties or vendors who contract with the Department of Human Services to serve MinnesotaCare recipients. Managed care plan contractors:

(1) shall authorize and arrange for the provision of the full range of services listed in section 256L.03 in order to ensure appropriate health care is delivered to enrollees;

(2) shall accept the prospective, per capita payment or other contractually defined payment from the commissioner in return for the provision and coordination of covered health care services for eligible individuals enrolled in the program;

(3) may contract with other health care and social service practitioners to provide services to enrollees;

(4) shall provide for an enrollee grievance process as required by the commissioner and set forth in the contract with the department;

(5) shall retain all revenue from enrollee co-payments;

(6) shall accept all eligible MinnesotaCare enrollees, without regard to health status or previous utilization of health services;

(7) shall demonstrate capacity to accept financial risk according to requirements specified in the contract with the department. A health maintenance organization licensed under chapter 62D, or a nonprofit health plan licensed under chapter 62C, is not required to demonstrate financial risk capacity, beyond that which is required to comply with chapters 62C and 62D; ~~and~~

(8) shall submit information as required by the commissioner, including data required for assessing enrollee satisfaction, quality of care, cost, and utilization of services; and

(9) shall participate in the Minnesota Health Insurance Exchange under section 62A.67 for the purpose of enrolling individuals under this chapter.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 17. Minnesota Statutes 2006, section 256L.15, subdivision 1a, is amended to read:

Subd. 1a. **Payment options.** (a) The commissioner may offer the following payment options to an enrollee:

- (1) payment by check;
- (2) payment by credit card;
- (3) payment by recurring automatic checking withdrawal;
- (4) payment by onetime electronic transfer of funds;
- (5) payment by wage withholding with the consent of the employer and the employee; or
- (6) payment by using state tax refund payments.

At application or reapplication, a MinnesotaCare applicant or enrollee may authorize the commissioner to use the Revenue Recapture Act in chapter 270A to collect funds from the applicant's or enrollee's refund for the purposes of meeting all or part of the applicant's or enrollee's MinnesotaCare premium obligation. The applicant or enrollee may authorize the commissioner to apply for the state working family tax credit on behalf of the applicant or enrollee. The setoff due under this subdivision shall not be subject to the \$10 fee under section 270A.07, subdivision 1.

(b) Effective January 1, 2009, the Minnesota Health Insurance Exchange under section 62A.67 is responsible for collecting MinnesotaCare premiums.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 18. Minnesota Statutes 2006, section 256L.15, subdivision 2, is amended to read:

Subd. 2. **Sliding fee scale; monthly gross individual or family income.** (a) The commissioner shall establish a sliding fee scale to determine the percentage of monthly gross individual or family income that households at different income levels must pay to obtain coverage through the MinnesotaCare program. The sliding fee scale must be based on the enrollee's monthly gross individual or family income. The sliding fee scale must contain separate tables based on enrollment of one, two, or three or more persons. The sliding fee scale begins with a premium of 1.5

percent of monthly gross individual or family income for individuals or families with incomes below the limits for the medical assistance program for families and children in effect on January 1, 1999, and proceeds through the following evenly spaced steps: 1.8, 2.3, 3.1, 3.8, 4.8, 5.9, 7.4, and 8.8 percent. These percentages are matched to evenly spaced income steps ranging from the medical assistance income limit for families and children in effect on January 1, 1999, to 275 percent of the federal poverty guidelines for the applicable family size, up to a family size of five. The sliding fee scale for a family of five must be used for families of more than five. Effective October 1, 2003, the commissioner shall increase each percentage by 0.5 percentage points for enrollees with income greater than 100 percent but not exceeding 200 percent of the federal poverty guidelines and shall increase each percentage by 1.0 percentage points for families and children with incomes greater than 200 percent of the federal poverty guidelines. The sliding fee scale and percentages are not subject to the provisions of chapter 14. If a family or individual reports ~~increased a change in~~ income after enrollment, premiums shall not be adjusted ~~at the time the change in income is reported~~ until eligibility renewal.

(b) Beginning January 1, 2009, a new sliding fee scale premium schedule is established for children. The premium schedule for children must be used in conjunction with the premium schedule in paragraph (a) for adults to calculate a single MinnesotaCare premium for a family. The sliding fee scale begins with a premium of \$11 per child for households with incomes equal to or greater than 150 percent of the federal poverty guidelines. Premiums must be adjusted at evenly spaced income steps at increments of five percent of the federal poverty guidelines to a maximum premium of \$88 per child for households with incomes equal to 300 percent of the federal poverty guidelines. Premiums must be calculated for up to three children per family. Premiums for children must be adjusted annually at an amount that is proportional to the annual adjustment in premiums for adults. The sliding fee scale in this paragraph does not apply to children enrolled under section 256L.075.

~~(b)~~ (c) Children in families whose gross income is above ~~275~~ 300 percent of the federal poverty guidelines shall pay the maximum premium. The maximum premium is defined as a base charge for one, two, or three or more enrollees so that if all MinnesotaCare cases paid the maximum premium, the total revenue would equal the total cost of MinnesotaCare medical coverage and administration. In this calculation, administrative costs shall be assumed to equal ten percent of the total. The costs of medical coverage for pregnant women and children under age two and the enrollees in these groups shall be excluded from the total. The maximum premium for two enrollees shall be twice the maximum premium for one, and the maximum premium for three or more enrollees shall be three times the maximum premium for one.

~~(c) After calculating the percentage of premium each enrollee shall pay under paragraph (a), eight percent shall be added to the premium.~~

**EFFECTIVE DATE.** Paragraphs (a) and (b) are effective January 1, 2009, or upon federal approval, whichever is later. The commissioner shall notify the Office of the Revisor of Statutes when federal approval is obtained. Paragraph (c) is effective July 1, 2007.

Sec. 19. Minnesota Statutes 2006, section 256L.15, is amended by adding a subdivision to read:

Subd. 5. **Premium discount incentive.** Adults and families with children are eligible for a premium reduction of \$3 per month for each child who met goals for preventive care or an adult who met goals for cardiac or diabetes care in the previous calendar year. The maximum premium reduction may not exceed \$15 per month per family. The commissioner, in consultation with the Minnesota Health Insurance Exchange, shall establish specific goals for preventive care, including cardiac and diabetes care, that make an enrollee eligible for the premium reduction. The premium discount incentive is administered by the Minnesota Health Insurance Exchange under section 62A.67. Children enrolled under section 256L.075 are not eligible for the premium discount incentive.

**EFFECTIVE DATE.** This section is effective January 1, 2009."

Page 478, line 9, delete "\$6,416,000" and insert "\$64,016,000"

Page 478, line 10, delete "\$5,643,000" and insert "\$20,543,000"

Page 503, after line 12, insert:

**"Nursing Home Moratorium Exceptions.** During fiscal year 2008, the commissioner of health may approve moratorium exception projects under Minnesota Statutes, section 144A.073, for which the full annualized state share of medical assistance costs does not exceed \$50,000,000. During fiscal year 2009, the commissioner of health may approve moratorium exception projects under Minnesota Statutes, section 144A.073, for which the full annualized state share of medical assistance costs does not exceed \$50,000,000 less the amount approved during the first year."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Brod et al amendment and the roll was called. There were 60 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Abeler	DeLaForest	Garofalo	Kalin	Olson	Shimanski
Anderson, B.	Demmer	Gottwalt	Koenen	Otremba	Simpson
Anderson, S.	Dettmer	Gunther	Kohls	Paulsen	Smith
Beard	Eken	Hackbarth	Lanning	Peppin	Sviggum
Berns	Emmer	Hamilton	Magnus	Peterson, A.	Tingelstad
Brod	Erhardt	Haws	McFarlane	Peterson, N.	Tschumper
Brown	Erickson	Heidgerken	McNamara	Ruth	Urdahl
Buesgens	Faust	Holberg	Morgan	Sailer	Ward
Cornish	Finstad	Hoppe	Nornes	Seifert	Westrom
Dean	Fritz	Howes	Olin	Severson	Zellers

Those who voted in the negative were:

Anzelc	Dill	Hilty	Knuth	Madore	Murphy, M.
Atkins	Dittrich	Hornstein	Kranz	Mahoney	Nelson
Benson	Dominguez	Hortman	Laine	Mariani	Norton
Bigham	Doty	Hosch	Lenczewski	Marquart	Paymar
Bly	Gardner	Huntley	Lesch	Masin	Pelowski
Brynaert	Greiling	Jaros	Liebling	Moe	Peterson, S.
Bunn	Hansen	Johnson	Lieder	Morrow	Poppe
Clark	Hausman	Juhnke	Lillie	Mullery	Rukavina
Davnie	Hilstrom	Kahn	Loeffler	Murphy, E.	Ruud

Scalze	Slawik	Swails	Tillberry	Welti	Spk. Kelliher
Sertich	Slocum	Thao	Wagenius	Winkler	
Simon	Solberg	Thissen	Walker	Wollschlager	

The motion did not prevail and the amendment was not adopted.

Emmer moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 303, line 1, after "may" insert "not"

Page 303, delete lines 20 to 28

A roll call was requested and properly seconded.

The question was taken on the Emmer amendment and the roll was called. There were 50 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Abeler	DeLaForest	Gunter	Kranz	Paulsen	Sviggum
Anderson, B.	Demmer	Hackbarth	Lanning	Peppin	Tingelstad
Anderson, S.	Dettmer	Hamilton	Liebling	Peterson, N.	Urdahl
Beard	Emmer	Heidgerken	Magnus	Ruth	Westrom
Berns	Erhardt	Hilty	Masin	Seifert	Zellers
Buesgens	Erickson	Holberg	McFarlane	Severson	
Bunn	Finstad	Hoppe	McNamara	Shimanski	
Cornish	Garofalo	Howes	Nornes	Simpson	
Dean	Gottwalt	Kohls	Olson	Smith	

Those who voted in the negative were:

Anzelc	Eken	Johnson	Mariani	Peterson, A.	Thissen
Atkins	Faust	Juhnke	Marquart	Peterson, S.	Tillberry
Benson	Fritz	Kahn	Moe	Poppe	Tschumper
Bigham	Gardner	Kalin	Morgan	Rukavina	Wagenius
Bly	Greiling	Knuth	Morrow	Ruud	Walker
Brod	Hansen	Koenen	Mullery	Sailer	Ward
Brown	Hausman	Laine	Murphy, E.	Scalze	Welti
Brynaert	Haws	Lenczewski	Murphy, M.	Sertich	Winkler
Clark	Hilstrom	Lesch	Nelson	Simon	Wollschlager
Davnie	Hornstein	Lieder	Norton	Slawik	Spk. Kelliher
Dill	Hortman	Lillie	Olin	Slocum	
Dittrich	Hosch	Loeffler	Otremba	Solberg	
Dominguez	Huntley	Madore	Paymar	Swails	
Doty	Jaros	Mahoney	Pelowski	Thao	

The motion did not prevail and the amendment was not adopted.



Seifert moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 346, after line 3, insert:

"Sec. 22. **[256.9675] PUBLIC BENEFITS; INELIGIBILITY.**

A person who moves into the state with a felony conviction is ineligible for public assistance, including but not limited to benefits under medical assistance, general assistance medical care, MinnesotaCare, and the Minnesota family investment program."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Seifert amendment and the roll was called. There were 99 yeas and 30 nays as follows:

Those who voted in the affirmative were:

Abeler	DeLaForest	Hackbarth	Laine	Otremba	Smith
Anderson, B.	Demmer	Hamilton	Lanning	Paulsen	Solberg
Anderson, S.	Dettmer	Hansen	Lenczewski	Pelowski	Svigum
Anzelc	Dill	Haws	Lieder	Peppin	Swails
Atkins	Dittrich	Heidgerken	Lillie	Peterson, A.	Tillberry
Beard	Doty	Hilstrom	Madore	Peterson, N.	Tingelstad
Benson	Eken	Holberg	Magnus	Peterson, S.	Tschumper
Berns	Emmer	Hoppe	Marquart	Poppe	Urdahl
Bigham	Erhardt	Hortman	Masin	Ruth	Ward
Bly	Erickson	Hosch	McFarlane	Ruud	Walti
Brod	Faust	Howes	McNamara	Sailer	Westrom
Brown	Finstad	Juhnke	Moe	Scalze	Wollschlager
Brynaert	Fritz	Kalin	Morgan	Seifert	Zellers
Buesgens	Gardner	Knuth	Morrow	Severson	Spk. Kelliher
Bunn	Garofalo	Koenen	Nornes	Simon	
Cornish	Gottwalt	Kohls	Olin	Simpson	
Dean	Gunther	Kranz	Olson	Slocum	

Those who voted in the negative were:

Clark	Hilty	Kahn	Mariani	Norton	Thao
Davnie	Hornstein	Lesch	Mullery	Rukavina	Thissen
Dominguez	Huntley	Liebling	Murphy, E.	Sertich	Wagenius
Greiling	Jaros	Loeffler	Murphy, M.	Shimanski	Walker
Hausman	Johnson	Mahoney	Nelson	Slawik	Winkler

The motion prevailed and the amendment was adopted.

The Speaker called Hausman to the Chair.

Erickson and Urdahl moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 35, delete section 29 and insert:

"Sec. 29. Minnesota Statutes 2006, section 256J.021, is amended to read:

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

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

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

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

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

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

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

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

(d) Beginning March 1, 2008, the commissioner of human services shall treat MFIP expenditures made to or on behalf of any minor child under section 256J.02, subdivision 2, clause (1), who is part of a single eligible caregiver household that meets the criteria in section 256J.32, subdivision 6, clause (6), as expenditures under a separately funded state program. A household is no longer part of the separately funded program if the household no longer meets the criteria in section 256J.32, subdivision 6, clause (6), item (iv), or if it is determined at recertification that:

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

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

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

Page 36, delete section 30 and insert:

"Sec. 30. Minnesota Statutes 2006, section 256J.09, subdivision 3b, is amended to read:

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

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

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

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

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

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

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

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

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

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

Sec. 31. Minnesota Statutes 2006, section 256J.09, is amended by adding a subdivision to read:

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

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

Sec. 32. Minnesota Statutes 2006, section 256J.09, is amended by adding a subdivision to read:

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

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

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

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

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

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

Page 36, delete section 31

Page 40, delete section 32 and insert:

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

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

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

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

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

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

(5) inconsistent information, if related to eligibility;

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

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

(ii) the caregiver is not employed;

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

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

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

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

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

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

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

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

Page 41, after line 4, insert:

"Sec. 34. Minnesota Statutes 2006, section 256J.42, subdivision 6, is amended to read:

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

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

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

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

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

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

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

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

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

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

Page 41, delete section 34

Page 42, delete section 35 and insert:

"Sec. 35. Minnesota Statutes 2006, section 256J.425, is amended by adding a subdivision to read:

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

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

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

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

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

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

(c) If a two-parent assistance unit is extended under subdivision 3 or 4, and a parent who has not reached the 60-month time limit is out of compliance with the requirements in sections 256J.45 or 256J.515 to 256J.57 when the case is extended, the sanction in the 61st month is considered the first sanction for the purposes of applying the sanctions in this subdivision, except that the sanction amount is reduced by 30 percent.

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

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

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

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

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

(f) If the participant was sanctioned for:

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

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

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

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

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

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

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

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

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

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

Sec. 36. Minnesota Statutes 2006, section 256J.425, is amended by adding a subdivision to read:

**Subd. 10. Status of disqualified participants under simplified sanctions.** (a) Beginning July 1, 2008, an assistance unit that is disqualified under subdivision 9, paragraph (a), may be approved for MFIP if the participant complies with MFIP requirements and demonstrates compliance for up to one month. No assistance shall be paid during this period.

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

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

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

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

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

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

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

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

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

Page 43, delete section 36 and insert:

"Sec. 36. Minnesota Statutes 2006, section 256J.46, is amended by adding a subdivision to read:

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

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

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

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

(e) For a second or third occurrence of noncompliance by a participant in an assistance unit, the assistance unit's shelter costs must be vendor paid up to the amount of the cash portion of the MFIP grant for which the assistance unit is eligible. At county option, the assistance unit's utilities may also be vendor paid up to the amount of the cash portion of the MFIP grant remaining after vendor payment of the assistance unit's shelter costs. The residual amount of the grant after vendor payment, if any, is reduced by an amount equal to 30 percent of the MFIP standard of need for an assistance unit of the same size before the residual grant is paid to the assistance unit. The reduction in the grant amount must be in effect for a minimum of one month and is removed in the month following the month that the participant in a one-parent assistance unit returns to compliance. In a two-parent assistance unit, the grant reduction must be in effect for a minimum of one month and is removed in the month following the month both



participants return to compliance. The vendor payment of shelter costs and utilities must be removed six months after the month in which the participant or participants return to compliance. If an assistance unit is sanctioned under this paragraph, the participant's case file must be reviewed to determine if the employment plan is still appropriate.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 37. Minnesota Statutes 2006, section 256J.46, is amended by adding a subdivision to read:

Subd. 4. **Simplified sanctions for refusal to cooperate with support requirements.** Beginning July 1, 2008, an MFIP caregiver who refuses to cooperate, as determined by the child support enforcement agency, with support requirements under section 256.741, is subject to sanction under this subdivision and subdivision 1. For a first occurrence of noncooperation, the assistance unit's grant must be reduced by 30 percent of the applicable MFIP standard of need. Subsequent occurrences of noncooperation must be subject to sanction under subdivision 3, paragraphs (e) and (f). The residual amount of the grant, if any, is paid to the caregiver. A sanction under this subdivision becomes effective the first month following the month in which a required notice is given. A sanction is not imposed when a caregiver comes into compliance with the requirements under section 256.741 prior to the effective date of the sanction. The sanction is removed in the month following the month that the caregiver cooperates with the support requirements. Each month that an MFIP caregiver fails to comply with the requirements of section 256.741 is considered a separate occurrence of noncompliance for the purpose of applying sanctions under subdivision 3, paragraphs (e) and (f).

Sec. 38. Minnesota Statutes 2006, section 256J.46, is amended by adding a subdivision to read:

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

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

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

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

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

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

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

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

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

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

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

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

Page 44, delete section 37 and insert:

"Sec. 37. Minnesota Statutes 2006, section 256J.49, subdivision 13, is amended to read:

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

- (1) unsubsidized employment, including work study and paid apprenticeships or internships;
- (2) subsidized private sector or public sector employment, including grant diversion as specified in section 256J.69, on-the-job training as specified in section 256J.66, ~~the self-employment investment demonstration program (SEID) as specified in section 256J.65~~, paid work experience, and supported work when a wage subsidy is provided;
- (3) unpaid work experience, including community service, volunteer work, the community service work experience program as specified in section ~~256J.67~~ 256J.675, unpaid apprenticeships or internships, and supported work when a wage subsidy is not provided;
- (4) job search including job readiness assistance, job clubs, job placement, job-related counseling, and job retention services;
- (5) job readiness education, including English as a second language (ESL) or functional work literacy classes as limited by the provisions of section 256J.531, subdivision 2, general educational development (GED) course work, high school completion, and adult basic education as limited by the provisions of section 256J.531, subdivision 1;
- (6) job skills training directly related to employment, including education and training that can reasonably be expected to lead to employment, as limited by the provisions of section 256J.53;
- (7) providing child care services to a participant who is working in a community service program;
- (8) activities included in the employment plan that is developed under section 256J.521, subdivision 3; and
- (9) preemployment activities including chemical and mental health assessments, treatment, and services; learning disabilities services; child protective services; family stabilization services; or other programs designed to enhance employability.

Sec. 38. Minnesota Statutes 2006, section 256J.50, subdivision 1, is amended to read:

Subdivision 1. **Employment and training services component of MFIP.** (a) Each county must develop and provide an employment and training services component which is designed to put participants on the most direct path to unsubsidized employment. Participation in these services is mandatory for all MFIP caregivers, ~~unless the caregiver is exempt under section 256J.56.~~

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

Page 45, delete section 38

Page 46, delete section 39

Page 48, delete section 40

Page 48, delete section 41 and insert:

"Sec. 41. Minnesota Statutes 2006, section 256J.531, is amended to read:

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

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

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

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

Page 49, delete section 42

Page 50, delete section 43 and insert:

"Sec. 43. Minnesota Statutes 2006, section 256J.626, subdivision 7, is amended to read:

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

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

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

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

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

~~(2) for calendar year 2008 2009 and yearly thereafter, a county or tribe that achieves a 50 percent MFIP TANF work participation rate under section 256J.751, subdivision 2, clause (8) (7), as averaged across the four quarterly measurements for the most recent year for which the measurements are available, will receive an additional allocation equal to 2.5 percent of its initial allocation; and~~

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

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

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

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

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

(3) for calendar years 2006 and thereafter, a tribe that performs within its range of expected performance on the annualized three-year self-support index under section 256J.751, subdivision 2, clause ~~(7)~~ (6), will receive an additional allocation equal to 2.5 percent of its initial allocation.

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

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

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

Sec. 44. Minnesota Statutes 2006, section 256J.626, is amended by adding a subdivision to read:

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

Sec. 45. **[256J.675] COMMUNITY SERVICE WORK EXPERIENCE.**

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

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

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

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

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

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

Sec. 46. **[256J.678] INJURY PROTECTION FOR COMMUNITY SERVICE WORK EXPERIENCE PARTICIPANTS.**

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

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

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

Subd. 4. **Requirements for worksites.** The department of the state, county agency, or tribal program responsible for supervising the work shall ensure that no participant is assigned to a worksite which is in violation of federal Occupational Safety and Health Administration and state Department of Labor and Industry safety standards or is under investigation to determine if those violations have occurred. All participants must be given the same safety information and training given to a paid employee performing similar work at that worksite."

Page 54, delete section 44

Page 55, delete section 45

Page 56, delete sections 46 and 47

Page 57, delete section 48

Page 58, delete section 49

Page 61, delete section 52

Page 62, after line 33, insert:

"Sec. 54. Minnesota Statutes 2006, section 256J.95, subdivision 15, is amended to read:

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

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

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

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

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

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

Page 115, line 21, delete "sections" and insert "section" and delete everything after "256J.29" and insert "is repealed."

Page 115, delete line 22

Page 115, after line 24, insert:

"Sec. 99. **REPEALER.**

Minnesota Statutes 2006, sections 256J.67; and 256J.68, are repealed effective

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

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

Page 231, after line 21, insert:

"Sec. 62. Minnesota Statutes 2006, section 256B.434, is amended by adding a subdivision to read:

Subd. 4o. **Rate increase for facilities in Wright, Mille Lacs, and Isanti counties.** Effective October 1, 2007, operating payment rates of all nursing facilities in Wright, Mille Lacs, and Isanti counties that are reimbursed under this section or section 256B.441 shall be increased to be equal, for a RUG's rate with a weight of 1.00, to the geographic group III median rate for the same RUG's weight. The percentage of the operating payment rate for each facility to be case-mix adjusted shall be equal to the percentage that is case-mix adjusted in that facility's September 30, 2007, operating payment rate. This subdivision shall apply only if it results in a rate increase. Increases provided by this subdivision shall be added to the rate determined under any new reimbursement system established under section 256B.441."

Page 477, line 22, delete "\$4,269,000" and insert "\$6,603,000"

Page 477, line 23, delete "\$4,889,000" and insert "\$6,847,000"

Page 477, after line 25 insert:

"**TANF Transfer to Federal Child Care and Development Fund.** The following TANF fund amount is appropriated to the commissioner for the purposes of MFIP transition year child care under MFIP, Minnesota Statutes, section 119B.05:

(1) fiscal year 2008, \$5,643,000;

(2) fiscal year 2009, \$14,372,000;

(3) fiscal year 2010, \$17,616,000; and

(4) fiscal year 2011, \$17,320,000.



The commissioner shall authorize transfer of sufficient TANF funds to the federal Child Care and Development Fund to meet this appropriation and shall ensure that all transferred funds are expended according the federal Child Care and Development Fund regulations."

Renumber the sections in sequence and correct the internal references

Adjust fund totals accordingly

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Erickson and Urdahl amendment and the roll was called. There were 43 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Gunther	Lanning	Ruth	Urdahl
Anderson, B.	DeLaForest	Hackbarth	Magnus	Seifert	Westrom
Anderson, S.	Dettmer	Hamilton	McFarlane	Severson	Zellers
Beard	Emmer	Heidgerken	McNamara	Shimanski	
Berns	Erickson	Holberg	Nornes	Simpson	
Brod	Finstad	Hoppe	Olson	Smith	
Buesgens	Garofalo	Howes	Paulsen	Sviggum	
Cornish	Gottwalt	Kohls	Peppin	Tingelstad	

Those who voted in the negative were:

Anzelc	Eken	Jaros	Madore	Paymar	Swails
Atkins	Erhardt	Johnson	Mahoney	Pelowski	Thao
Benson	Faust	Juhnke	Mariani	Peterson, A.	Thissen
Bigham	Fritz	Kahn	Marquart	Peterson, N.	Tillberry
Bly	Gardner	Kalin	Masin	Peterson, S.	Tschumper
Brown	Greiling	Knuth	Moe	Poppe	Wagenius
Brynaert	Hansen	Koenen	Morgan	Rukavina	Walker
Bunn	Hausman	Kranz	Morrow	Ruud	Ward
Clark	Haws	Laine	Mullery	Sailer	Welti
Davnie	Hilstrom	Lenczewski	Murphy, E.	Scalze	Winkler
Demmer	Hilty	Lesch	Murphy, M.	Sertich	Wollschlager
Dill	Hornstein	Liebling	Nelson	Simon	Spk. Kelliher
Dittrich	Hortman	Lieder	Norton	Slawik	
Dominguez	Hosch	Lillie	Olin	Slocum	
Doty	Huntley	Loeffler	Otremba	Solberg	

The motion did not prevail and the amendment was not adopted.

Urdahl and Shimanski moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 231, after line 12, insert:

"Sec. 61. Minnesota Statutes 2006, section 256B.434, is amended by adding a subdivision to read:

Subd. 4m. **Rate increase for facilities in Meeker County.** Effective July 1, 2007, operating payment rates of nursing facilities in Meeker County that are reimbursed under this section or section 256B.441 must be increased to be equal, for a RUG's rate with a weight of 1.00, to the Stearns County median rate for the same RUG's weight. The percentage of the operating payment rate for each facility to be case-mix adjusted must be equal to the percentage that is case-mix adjusted in that facility's June 30, 2006, operating payment rate. This subdivision applies only if it results in a rate increase."

Page 1, lines 17 and 18 of the Doty and Eken amendment to the Fritz et al amendment, adopted earlier today, delete "\$38,000,000" and insert "\$37,329,000"

Renumber the sections in sequence and correct the internal references

Adjust the totals accordingly

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Seifert moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 32, after line 34, insert:

"Sec. 24. Minnesota Statutes 2006, section 256.9862, subdivision 2, is amended to read:

Subd. 2. **Transaction fee.** The commissioner ~~may~~ must charge transaction fees in accordance with this subdivision up to a maximum of \$10 in transaction fees per cardholder per month. In a given month, the first four cash withdrawals made by an individual cardholder are free. For subsequent cash withdrawals, \$1 may be charged. No transaction fee can be charged if the card is used to purchase goods or services on a point of sale basis to cardholders. A transaction fee subsequently set by the federal government may supersede a fee established under this subdivision. The fees shall be appropriated to the commissioner and used for electronic benefit purposes."

Page 40, after line 15, insert:

"Sec. 33. Minnesota Statutes 2006, section 256J.39, is amended by adding a subdivision to read:

Subd. 1a. **Prohibited purchases.** MFIP recipients are prohibited from using MFIP monthly cash assistance payments issued in the form of an electronic benefits transfer to purchase tobacco products or alcohol."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Seifert amendment and the roll was called. There were 103 yeas and 26 nays as follows:

Those who voted in the affirmative were:

Abeler	Demmer	Hansen	Liebling	Pelowski	Solberg
Anderson, B.	Dettmer	Haws	Lieder	Peppin	Sviggum
Anderson, S.	Dill	Heidgerken	Lillie	Peterson, A.	Swails
Anzelc	Dittrich	Hilstrom	Madore	Peterson, N.	Tillberry
Atkins	Doty	Holberg	Magnus	Peterson, S.	Tingelstad
Beard	Eken	Hoppe	Marquart	Poppe	Tschumper
Benson	Emmer	Hortman	Masin	Ruth	Urdahl
Berns	Erhardt	Hosch	McFarlane	Ruud	Ward
Bigham	Erickson	Howes	McNamara	Sailer	Welti
Bly	Faust	Juhnke	Moe	Scalze	Westrom
Brod	Finstad	Kalin	Morgan	Seifert	Winkler
Brown	Fritz	Knuth	Morrow	Severson	Wollschlager
Brynaert	Gardner	Koenen	Nornes	Shimanski	Zellers
Buesgens	Garofalo	Kohls	Norton	Simon	
Bunn	Gottwalt	Kranz	Olin	Simpson	
Cornish	Gunther	Laine	Olson	Slawik	
Dean	Hackbarth	Lanning	Otremba	Slocum	
DeLaForest	Hamilton	Lenczewski	Paulsen	Smith	

Those who voted in the negative were:

Clark	Hilty	Kahn	Mullery	Sertich	Spk. Kelliher
Davnie	Hornstein	Lesch	Murphy, E.	Thao	
Dominguez	Huntley	Loeffler	Murphy, M.	Thissen	
Greiling	Jaros	Mahoney	Nelson	Wagenius	
Hausman	Johnson	Mariani	Rukavina	Walker	

The motion prevailed and the amendment was adopted.

Emmer moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 298, line 27, delete "and other nonclinical data" and delete "uniquely"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Emmer amendment and the roll was called. There were 51 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Abeler	Beard	Buesgens	Dean	Dettmer	Finstad
Anderson, B.	Berns	Bunn	DeLaForest	Emmer	Garofalo
Anderson, S.	Brod	Cornish	Demmer	Erickson	Gottwalt

Gunther	Howes	Masin	Paulsen	Shimanski	Welti
Hackbarth	Kohls	McFarlane	Peppin	Simpson	Westrom
Hamilton	Lanning	McNamara	Peterson, N.	Smith	Zellers
Heidgerken	Liebling	Nornes	Ruth	Sviggum	
Holberg	Loeffler	Olin	Seifert	Tingelstad	
Hoppe	Magnus	Olson	Severson	Urdahl	

Those who voted in the negative were:

Anzelc	Eken	Hosch	Lieder	Norton	Slawik
Atkins	Erhardt	Huntley	Lillie	Otremba	Slocum
Benson	Faust	Jaros	Madore	Paymar	Solberg
Bigham	Fritz	Johnson	Mahoney	Pelowski	Swails
Bly	Gardner	Juhnke	Mariani	Peterson, A.	Thao
Brown	Greiling	Kahn	Marquart	Peterson, S.	Thissen
Brynaert	Hansen	Kalin	Moe	Poppe	Tillberry
Clark	Hausman	Knuth	Morgan	Rukavina	Wagenius
Davnie	Haws	Koenen	Morrow	Ruud	Walker
Dill	Hilstrom	Kranz	Mullery	Sailer	Ward
Dittrich	Hilty	Laine	Murphy, E.	Scalze	Winkler
Dominguez	Hornstein	Lenczewski	Murphy, M.	Sertich	Wollschlager
Doty	Hortman	Lesch	Nelson	Simon	Spk. Kelliher

The motion did not prevail and the amendment was not adopted.

Demmer moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 376, delete article 8, and insert:

## "ARTICLE 8

### HEALTHY CONNECTIONS

Section 1. Minnesota Statutes 2006, section 13.46, subdivision 2, is amended to read:

Subd. 2. **General.** (a) Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used, or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

- (1) according to section 13.05;
- (2) according to court order;
- (3) according to a statute specifically authorizing access to the private data;
- (4) to an agent of the welfare system, including a law enforcement person, attorney, or investigator acting for it in the investigation or prosecution of a criminal or civil proceeding relating to the administration of a program;
- (5) to personnel of the welfare system who require the data to verify an individual's identity; determine eligibility, amount of assistance, and the need to provide services to an individual or family across programs; evaluate the effectiveness of programs; and investigate suspected fraud;

(6) to administer federal funds or programs;

(7) between personnel of the welfare system working in the same program;

(8) to the Department of Revenue to administer and evaluate tax refund or tax credit programs and to identify individuals who may benefit from these programs. The following information may be disclosed under this paragraph: an individual's and their dependent's names, dates of birth, Social Security numbers, income, addresses, and other data as required, upon request by the Department of Revenue. Disclosures by the commissioner of revenue to the commissioner of human services for the purposes described in this clause are governed by section 270B.14, subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent care credit under section 290.067, the Minnesota working family credit under section 290.0671, the property tax refund and rental credit under section 290A.04, and the Minnesota education credit under section 290.0674;

(9) between the Department of Human Services, the Department of Education, and the Department of Employment and Economic Development for the purpose of monitoring the eligibility of the data subject for unemployment benefits, for any employment or training program administered, supervised, or certified by that agency, for the purpose of administering any rehabilitation program or child care assistance program, whether alone or in conjunction with the welfare system, or to monitor and evaluate the Minnesota family investment program by exchanging data on recipients and former recipients of food support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

(10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;

(11) data maintained by residential programs as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state according to Part C of Public Law 98-527 to protect the legal and human rights of persons with developmental disabilities or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;

(12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;

(13) data on a child support obligor who makes payments to the public agency may be disclosed to the Minnesota Office of Higher Education to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);

(14) participant Social Security numbers and names collected by the telephone assistance program may be disclosed to the Department of Revenue to conduct an electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;

(15) the current address of a Minnesota family investment program participant may be disclosed to law enforcement officers who provide the name of the participant and notify the agency that:

(i) the participant:

(A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony under the laws of the jurisdiction from which the individual is fleeing; or

(B) is violating a condition of probation or parole imposed under state or federal law;

(ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and

(iii) the request is made in writing and in the proper exercise of those duties;

(16) the current address of a recipient of general assistance or general assistance medical care may be disclosed to probation officers and corrections agents who are supervising the recipient and to law enforcement officers who are investigating the recipient in connection with a felony level offense;

(17) information obtained from food support applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the Food Stamp Act, according to Code of Federal Regulations, title 7, section 272.1(c);

(18) the address, Social Security number, and, if available, photograph of any member of a household receiving food support shall be made available, on request, to a local, state, or federal law enforcement officer if the officer furnishes the agency with the name of the member and notifies the agency that:

(i) the member:

(A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

(B) is violating a condition of probation or parole imposed under state or federal law; or

(C) has information that is necessary for the officer to conduct an official duty related to conduct described in subitem (A) or (B);

(ii) locating or apprehending the member is within the officer's official duties; and

(iii) the request is made in writing and in the proper exercise of the officer's official duty;

(19) the current address of a recipient of Minnesota family investment program, general assistance, general assistance medical care, or food support may be disclosed to law enforcement officers who, in writing, provide the name of the recipient and notify the agency that the recipient is a person required to register under section 243.166, but is not residing at the address at which the recipient is registered under section 243.166;

(20) certain information regarding child support obligors who are in arrears may be made public according to section 518A.74;

(21) data on child support payments made by a child support obligor and data on the distribution of those payments excluding identifying information on obligees may be disclosed to all obligees to whom the obligor owes support, and data on the enforcement actions undertaken by the public authority, the status of those actions, and data on the income of the obligor or obligee may be disclosed to the other party;

(22) data in the work reporting system may be disclosed under section 256.998, subdivision 7;

(23) to the Department of Education for the purpose of matching Department of Education student data with public assistance data to determine students eligible for free and reduced price meals, meal supplements, and free milk according to United States Code, title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state funds that are distributed based on income of the student's family; and to verify receipt of energy assistance for the telephone assistance plan;

(24) the current address and telephone number of program recipients and emergency contacts may be released to the commissioner of health or a local board of health as defined in section 145A.02, subdivision 2, when the commissioner or local board of health has reason to believe that a program recipient is a disease case, carrier, suspect case, or at risk of illness, and the data are necessary to locate the person;

(25) to other state agencies, statewide systems, and political subdivisions of this state, including the attorney general, and agencies of other states, interstate information networks, federal agencies, and other entities as required by federal regulation or law for the administration of the child support enforcement program;

(26) to personnel of public assistance programs as defined in section 256.741, for access to the child support system database for the purpose of administration, including monitoring and evaluation of those public assistance programs;

(27) to monitor and evaluate the Minnesota family investment program by exchanging data between the Departments of Human Services and Education, on recipients and former recipients of food support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

(28) to evaluate child support program performance and to identify and prevent fraud in the child support program by exchanging data between the Department of Human Services, Department of Revenue under section 270B.14, subdivision 1, paragraphs (a) and (b), without regard to the limitation of use in paragraph (c), Department of Health, Department of Employment and Economic Development, and other state agencies as is reasonably necessary to perform these functions; ~~or~~

(29) counties operating child care assistance programs under chapter 119B may disseminate data on program participants, applicants, and providers to the commissioner of education; or

(30) pursuant to section 256L.02, subdivision 6, between the welfare system and the Minnesota Health Insurance Exchange, under section 62A.67, in order to enroll and collect premiums from individuals in the MinnesotaCare program under chapter 256L and to administer the individual's and their families' participation in the program.

(b) Information on persons who have been treated for drug or alcohol abuse may only be disclosed according to the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16), (17), or (18), or paragraph (b), are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

(d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but is not subject to the access provisions of subdivision 10, paragraph (b).

For the purposes of this subdivision, a request will be deemed to be made in writing if made through a computer interface system.

## Sec. 2. [62A.67] MINNESOTA HEALTH INSURANCE EXCHANGE.

Subdivision 1. Title; citation. This section may be cited as the "Minnesota Health Insurance Exchange."

Subd. 2. **Creation; tax exemption.** The Minnesota Health Insurance Exchange is created for the limited purpose of providing individuals with greater access, choice, portability, and affordability of health insurance products. The Minnesota Health Insurance Exchange is a not-for-profit corporation under chapter 317A and section 501(c) of the Internal Revenue Code.

Subd. 3. **Definitions.** The following terms have the meanings given them unless otherwise provided in text.

(a) "Board" means the board of directors of the Minnesota Health Insurance Exchange under subdivision 13.

(b) "Commissioner" means:

(1) the commissioner of commerce for health insurers subject to the jurisdiction of the Department of Commerce;

(2) the commissioner of health for health insurers subject to the jurisdiction of the Department of Health; or

(3) either commissioner's designated representative.

(c) "Exchange" means the Minnesota Health Insurance Exchange.

(d) "HIPAA" means the Health Insurance Portability and Accountability Act of 1996.

(e) "Individual market health plans," unless otherwise specified, means individual market health plans defined in section 62A.011 and MinnesotaCare II products as defined in chapter 256L.

(f) "Section 125 Plan" means a Premium Only Plan under section 125 of the Internal Revenue Code.

Subd. 4. **Insurer and health plan participation.** All health plans as defined in section 62A.011, subdivision 3, issued or renewed in the individual market shall participate in the exchange. No health plans in the individual market may be issued or renewed outside of the exchange. Group health plans as defined in section 62A.10 shall not be offered through the exchange. Health plans offered through the Minnesota Comprehensive Health Association as defined in section 62E.10 are offered through the exchange to eligible enrollees as determined by the Minnesota Comprehensive Health Association. Health plans offered through MinnesotaCare and MinnesotaCare II under chapter 256L are offered through the exchange to eligible enrollees as determined by the commissioner of human services.

Subd. 5. **Approval of health plans.** No health plan may be offered through the exchange unless the commissioner has first certified that:

(1) the insurer seeking to offer the health plan is licensed to issue health insurance in the state; and

(2) the health plan meets the requirements of this section, and the health plan and the insurer are in compliance with all other applicable health insurance laws.

Subd. 6. **Individual market health plans.** Individual market health plans offered through the exchange continue to be regulated by the commissioner as specified in chapters 62A, 62C, 62D, 62E, 62Q, and 72A, and must include the following provisions that apply to all health plans issued or renewed through the exchange:

(1) premiums for children under the age of 19 shall not vary by age in the exchange; and



(2) premiums for children under the age of 19 must be excluded from rating factors requirements under section 62A.65, subdivision 3, paragraph (b).

Subd. 7. **MinnesotaCare II health plans.** Health plans approved for MinnesotaCare II under section 256L.075 shall be offered by participating insurers to exchange participants not enrolled in MinnesotaCare II.

Subd. 8. **Individual participation and eligibility.** Individuals are eligible to purchase health plans directly through the exchange or through an employer Section 125 Plan under section 62A.68. Nothing in this section requires guaranteed issue of individual market health plans offered through the exchange. Individuals are eligible to purchase individual market health plans through the exchange by meeting one or more of the following qualifications:

(1) the individual is a Minnesota resident, meaning the individual is physically residing on a permanent basis in a place that is the person's principal residence and from which the person is absent only for temporary purposes;

(2) the individual is a student attending an institution outside of Minnesota and maintains Minnesota residency;

(3) the individual is not a Minnesota resident but is employed by an employer physically located within the state and the individual's employer does not offer a group health insurance plan as defined in section 62A.10, but does offer a Section 125 Plan through the exchange under section 62A.68;

(4) the individual is not a Minnesota resident but is self-employed and the individual's principal place of business is in the state; or

(5) the individual is a dependent as defined in section 62L.02, of another individual who is eligible to participate in the exchange.

Subd. 9. **Continuation of coverage.** Enrollment in a health plan may be canceled for nonpayment of premiums, fraud, or changes in eligibility for MinnesotaCare under chapter 256L. Enrollment in an individual market health plan may not be canceled or renewed because of any change in employer or employment status, marital status, health status, age, residence, or any other change that does not affect eligibility as defined in this section.

Subd. 10. **Responsibilities of the exchange.** The exchange shall serve as the sole entity for enrollment and collection and transfer of premium payments for health plans offered through the exchange. The exchange shall be responsible for the following functions:

(1) publicize the exchange, including but not limited to its functions, eligibility rules, and enrollment procedures;

(2) provide assistance to employers to set up an employer Section 125 Plan under section 62A.68;

(3) create a system to allow individuals to compare and enroll in health plans offered through the exchange;

(4) create a system to collect and transmit to the applicable plans all premium payments or contributions made by or on behalf of individuals, including developing mechanisms to receive and process automatic payroll deductions for individuals enrolled in employer Section 125 Plans;

(5) refer individuals interested in MinnesotaCare or MinnesotaCare II under chapter 256L to the Department of Human Services to determine eligibility;

(6) establish a mechanism with the Department of Human Services to transfer premiums and subsidies for MinnesotaCare and MinnesotaCare II to qualify for federal matching payments;

(7) administer bonus accounts as defined in chapter 256L to reimburse MinnesotaCare II enrollees for qualified medical expenses under section 213(d) of the Internal Revenue Code;

(8) collect and assess information for eligibility for bonus accounts and premium incentives under chapter 256L;

(9) upon request, issue certificates of previous coverage according to the provisions of HIPAA and as referenced in section 62Q.181 to all such individuals who cease to be covered by a participating health plan through the exchange;

(10) establish procedures to account for all funds received and disbursed by the exchange for individual participants of the exchange; and

(11) make available to the public, at the end of each calendar year, a report of an independent audit of the exchange's accounts.

**Subd. 11. Powers of the exchange.** The exchange shall have the power to:

(1) contract with insurance producers licensed in accident and health insurance under chapter 60K and vendors to perform one or more of the functions specified in subdivision 10;

(2) contract with employers to act as the plan administrator for participating employer Section 125 Plans and to undertake the obligations required by federal law of a plan administrator;

(3) establish and assess fees on health plan premiums of health plans purchased through the exchange to fund the cost of administering the exchange;

(4) seek and directly receive grant funding from government agencies or private philanthropic organizations to defray the costs of operating the exchange;

(5) establish and administer rules and procedures governing the operations of the exchange;

(6) establish one or more service centers within Minnesota;

(7) sue or be sued or otherwise take any necessary or proper legal action;

(8) establish bank accounts and borrow money; and

(9) enter into agreements with the commissioners of commerce, health, human services, revenue, employment and economic development, and other state agencies as necessary for the exchange to implement the provisions of this section.

**Subd. 12. Dispute resolution.** The exchange shall establish procedures for resolving disputes with respect to the eligibility of an individual to participate in the exchange. The exchange does not have the authority or responsibility to intervene in or resolve disputes between an individual and a health plan or health insurer. The exchange shall refer complaints from individuals participating in the exchange to the commissioner of human services to be resolved according to sections 62Q.68 to 62Q.73.

**Subd. 13. Governance.** The exchange shall be governed by a board of directors with 11 members. The board shall convene on or before July 1, 2007, after the initial board members have been selected. The initial board membership consists of the following:

(1) the commissioner of commerce;

(2) the commissioner of human services;

(3) the commissioner of health;

(4) four members appointed by a joint committee of the Minnesota senate and the Minnesota house of representatives to serve three-year terms; and

(5) four members appointed by the governor to serve three-year terms.

Subd. 14. **Subsequent board membership.** Ongoing membership of the exchange consists of the following effective July 1, 2010:

(1) the commissioner of commerce;

(2) the commissioner of human services;

(3) the commissioner of health;

(4) four members appointed by the governor with the approval of a joint committee of the senate and house of representatives to serve two- or three-year terms. Appointed members may serve more than one term; and

(5) four members elected by the membership of the exchange of which two are elected to serve a two-year term and two are elected to serve a three-year term. Elected members may serve more than one term.

Subd. 15. **Operations of the board.** Officers of the board of directors are elected by members of the board and serve one-year terms. Six members of the board constitutes a quorum, and the affirmative vote of six members of the board is necessary and sufficient for any action taken by the board. Board members serve without pay, but are reimbursed for actual expenses incurred in the performance of their duties.

Subd. 16. **Operations of the exchange.** The board of directors shall appoint an exchange director who shall:

(1) be a full-time employee of the exchange;

(2) administer all of the activities and contracts of the exchange; and

(3) hire and supervise the staff of the exchange.

Subd. 17. **Insurance producers.** When a producer licensed in accident and health insurance under chapter 60K enrolls an eligible individual in the exchange, the health plan chosen by an individual may pay the producer a commission.

Subd. 18. **Implementation.** Health plan coverage through the exchange begins on January 1, 2009. The exchange must be operational to assist employers and individuals by September 1, 2008, and be prepared for enrollment by December 1, 2008. Enrollees of individual market health plans, MinnesotaCare, and the Minnesota Comprehensive Health Association as of December 2, 2008, are automatically enrolled in the exchange on January 1, 2009, in the same health plan and at the same premium that they were enrolled as of December 2, 2008, subject to the provisions of this section. As of January 1, 2009, all enrollees of individual market health plans, MinnesotaCare, and the Minnesota Comprehensive Health Association shall make premium payments to the exchange.

Subd. 19. **Study of insurer issue requirements.** In consultation with the commissioners of commerce and health, the exchange shall study and make recommendations on rating requirements and risk adjustment mechanisms that could be implemented to facilitate increased enrollment in the exchange by employers and employees through employer Section 125 Plans. The exchange shall report study findings and recommendations to the chairs of house and senate committees having jurisdiction over commerce and health by January 15, 2011.

Sec. 3. **[62A.68] SECTION 125 PLANS.**

Subdivision 1. **Definitions.** The following terms have the meanings given unless otherwise provided in text:

(a) "Current employee" means an employee currently on an employer's payroll other than a retiree or disabled former employee.

(b) "Employer" means a person, firm, corporation, partnership, association, business trust, or other entity employing one or more persons, including a political subdivision of the state, filing payroll tax information on such employed person or persons.

(c) "Section 125 Plan" means a Premium Only Plan under section 125 of the Internal Revenue Code.

(d) "Exchange" means the Minnesota Health Insurance Exchange under section 62A.67.

(e) "Exchange director" means the appointed director under section 62A.67, subdivision 16.

Subd. 2. **Section 125 Plan requirement.** Effective January 1, 2009, all employers with 11 or more current employees shall offer a Section 125 Plan through the exchange to allow their employees to pay for health insurance premiums with pretax dollars. The following employers are exempt from the Section 125 Plan requirement:

(1) employers that offer a group health insurance plan as defined in 62A.10;

(2) employers that offer group health insurance through a self-insured plan as defined in section 62E.02; and

(3) employers with fewer than 11 current employees, except that employers under this clause may voluntarily offer a Section 125 Plan.

Subd. 3. **Tracking compliance.** By July 1, 2008, the exchange, in consultation with the commissioners of commerce, health, employment and economic development, and revenue shall establish a method for tracking employer compliance with the Section 125 Plan requirement.

Subd. 4. **Employer requirements.** Employers that are required to offer or choose to offer a Section 125 Plan through the exchange shall enter into an annual binding agreement with the exchange, which includes the terms in paragraphs (a) to (h).

(a) The employer shall designate the exchange director to be the plan's administrator for the employer's plan and the exchange director agrees to undertake the obligations required of a plan administrator under federal law.

(b) Only the coverage and benefits offered by participating insurers in the exchange constitutes the coverage and benefits of the participating employer plan.

(c) Any individual eligible to participate in the exchange may elect coverage under any participating health plan for which they are eligible, and neither the employer nor the exchange shall limit choice of coverage from among all the participating insurance plans for which the individual is eligible.

(d) The employer shall deduct premium amounts on a pretax basis in an amount not to exceed an employee's wages and make payments to the exchange as directed by employees for health plans employees enroll in through the exchange.

(e) The employer shall not offer individuals eligible to participate in the exchange any separate or competing group health plan under section 62A.10.

(f) The employer reserves the right to determine the terms and amounts of the employer's contribution to the plan, if any.

(g) The employer shall make available to the exchange any of the employer's documents, records, or information, including copies of the employer's federal and state tax and wage reports that are necessary for the exchange to verify:

(1) that the employer is in compliance with the terms of its agreement with the exchange governing the participating employer plan;

(2) that the participating employer plan is in compliance with applicable state and federal laws, including those relating to nondiscrimination in coverage; and

(3) the eligibility of those individuals enrolled in the participating employer plan.

(h) The exchange shall not provide the participating employer plan with any additional or different services or benefits not otherwise provided or offered to all other participating employer plans.

Subd. 5. **Section 125 eligible health plans.** Individuals eligible to enroll in health plans through an employer Section 125 Plan through the exchange may enroll in any health plan offered through the exchange for which the individual is eligible including individual market health plans, MinnesotaCare and MinnesotaCare II, and the Minnesota Comprehensive Health Association.

Sec. 4. Minnesota Statutes 2006, section 62E.141, is amended to read:

**62E.141 INCLUSION IN EMPLOYER-SPONSORED PLAN.**

No employee of an employer that offers a group health plan, under which the employee is eligible for coverage, is eligible to enroll, or continue to be enrolled, in the comprehensive health association, except for enrollment or continued enrollment necessary to cover conditions that are subject to an unexpired preexisting condition limitation, preexisting condition exclusion, or exclusionary rider under the employer's health plan. This section does not apply to persons enrolled in the Comprehensive Health Association as of June 30, 1993. With respect to persons eligible to enroll in the health plan of an employer that has more than 29 current employees, as defined in section 62L.02, this section does not apply to persons enrolled in the Comprehensive Health Association as of December 31, 1994.

Sec. 5. Minnesota Statutes 2006, section 62L.12, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) A health carrier may sell, issue, or renew individual conversion policies to eligible employees otherwise eligible for conversion coverage under section 62D.104 as a result of leaving a health maintenance organization's service area.

(b) A health carrier may sell, issue, or renew individual conversion policies to eligible employees otherwise eligible for conversion coverage as a result of the expiration of any continuation of group coverage required under sections 62A.146, 62A.17, 62A.21, 62C.142, 62D.101, and 62D.105.

(c) A health carrier may sell, issue, or renew conversion policies under section 62E.16 to eligible employees.

(d) A health carrier may sell, issue, or renew individual continuation policies to eligible employees as required.

(e) A health carrier may sell, issue, or renew individual health plans if the coverage is appropriate due to an unexpired preexisting condition limitation or exclusion applicable to the person under the employer's group health plan or due to the person's need for health care services not covered under the employer's group health plan.

(f) A health carrier may sell, issue, or renew an individual health plan, if the individual has elected to buy the individual health plan not as part of a general plan to substitute individual health plans for a group health plan nor as a result of any violation of subdivision 3 or 4.

(g) Nothing in this subdivision relieves a health carrier of any obligation to provide continuation or conversion coverage otherwise required under federal or state law.

(h) Nothing in this chapter restricts the offer, sale, issuance, or renewal of coverage issued as a supplement to Medicare under sections 62A.3099 to 62A.44, or policies or contracts that supplement Medicare issued by health maintenance organizations, or those contracts governed by sections 1833, 1851 to 1859, 1860D, or 1876 of the federal Social Security Act, United States Code, title 42, section 1395 et seq., as amended.

(i) Nothing in this chapter restricts the offer, sale, issuance, or renewal of individual health plans necessary to comply with a court order.

(j) A health carrier may offer, issue, sell, or renew an individual health plan to persons eligible for an employer group health plan, if the individual health plan is a high deductible health plan for use in connection with an existing health savings account, in compliance with the Internal Revenue Code, section 223. In that situation, the same or a different health carrier may offer, issue, sell, or renew a group health plan to cover the other eligible employees in the group.

(k) A health carrier may offer, sell, issue, or renew an individual health plan to one or more employees of a small employer if the individual health plan is marketed directly to all employees of the small employer and the small employer does not contribute directly or indirectly to the premiums or facilitate the administration of the individual health plan. The requirement to market an individual health plan to all employees does not require the health carrier to offer or issue an individual health plan to any employee. For purposes of this paragraph, an employer is not contributing to the premiums or facilitating the administration of the individual health plan if the employer does not contribute to the premium and merely collects the premiums from an employee's wages or salary through payroll deductions and submits payment for the premiums of one or more employees in a lump sum to the health carrier. Except for coverage under section 62A.65, subdivision 5, paragraph (b), or 62E.16, at the request of an employee, the health carrier may bill the employer for the premiums payable by the employee, provided that the employer is not liable for payment except from payroll deductions for that purpose. If an employer is submitting payments under this paragraph, the health carrier shall provide a cancellation notice directly to the primary insured at least ten days prior to termination of coverage for nonpayment of premium. Individual coverage under this paragraph may be offered only if the small employer has not provided coverage under section 62L.03 to the employees within the past 12 months.

The employer must provide a written and signed statement to the health carrier that the employer is not contributing directly or indirectly to the employee's premiums. The health carrier may rely on the employer's statement and is not required to guarantee-issue individual health plans to the employer's other current or future employees.

(l) Nothing in this chapter restricts the offer, sale, issuance, or renewal of individual health plans through the Minnesota Health Insurance Exchange under section 62A.67 or 62A.68.

Sec. 6. **[256.962] MINNESOTA HEALTH CARE PROGRAMS OUTREACH.**

Subdivision 1. **Public awareness and education.** The commissioner shall design and implement a statewide campaign to raise public awareness on the availability of health coverage through medical assistance, general assistance medical care, and MinnesotaCare and to educate the public on the importance of obtaining and maintaining health care coverage. The campaign shall include multimedia messages directed to the general population.

Subd. 2. **Outreach grants.** (a) The commissioner shall award grants to public and private organizations or regional collaboratives for outreach activities, including, but not limited to:

(1) providing information, applications, and assistance in obtaining coverage through Minnesota public health care programs;

(2) collaborating with public and private entities such as hospitals, providers, health plans, legal aid offices, pharmacies, insurance agencies, and faith-based organizations to develop outreach activities and partnerships to ensure the distribution of information and applications and provide assistance in obtaining coverage through Minnesota health care programs; and

(3) providing or collaborating with public and private entities to provide multilingual and culturally specific information and assistance to applicants in areas of high uninsurance in the state or populations with high rates of uninsurance.

(b) The commissioner shall ensure that all outreach materials are available in languages other than English.

(c) The commissioner shall establish an outreach trainer program to provide training to designated individuals from the community and public and private entities on application assistance in order for these individuals to provide training to others in the community on an as-needed basis.

Subd. 3. **Application and assistance.** (a) The Minnesota health care programs application must be made available at provider offices, local human services agencies, school districts, public and private elementary schools in which 25 percent or more of the students receive free or reduced price lunches, community health offices, Women, Infants and Children (WIC) program sites, Head Start program sites, public housing councils, child care centers, early childhood education and preschool program sites, legal aid offices, and libraries. The commissioner shall ensure that applications are available in languages other than English.

(b) Local human service agencies, hospitals, and health care community clinics receiving state funds must provide direct assistance in completing the application form, including the free use of a copy machine and a drop box for applications. These locations must ensure that the drop box is checked at least weekly and any applications are submitted to the commissioner. The commissioner shall provide these entities with an identification number to stamp on each application to identify the entity that provided assistance. Other locations where applications are required to be available shall either provide direct assistance in completing the application form or provide information on where an applicant can receive application assistance.

(c) Counties must offer applications and application assistance when providing child support collection services.

(d) Local public health agencies and counties that provide immunization clinics must offer applications and application assistance during these clinics.

(e) The commissioner shall coordinate with the commissioner of health to ensure that maternal and child health outreach efforts include information on Minnesota health care programs and application assistance, when needed.

Subd. 4. **Statewide toll-free telephone number.** The commissioner shall provide funds for a statewide toll-free telephone number to provide information on public and private health coverage options and sources of free and low-cost health care. The statewide telephone number must provide the option of obtaining this information in languages other than English.

Subd. 5. **Incentive program.** The commissioner shall establish an incentive program for organizations that directly identify and assist potential enrollees in filling out and submitting an application. For each applicant who is successfully enrolled in MinnesotaCare, medical assistance, or general assistance medical care, the commissioner shall pay the organization a \$25 application assistance bonus. The organization may provide an applicant a gift certificate or other incentive upon enrollment.

Subd. 6. **School districts.** (a) At the beginning of each school year, a school district shall provide information to each student on the availability of health care coverage through the Minnesota health care programs.

(b) For each child who is determined to be eligible for a free or reduced priced lunch, the district shall provide the child's family with an application for the Minnesota health care programs and information on how to obtain application assistance.

(c) A district shall also ensure that applications and information on application assistance are available at early childhood education sites and public schools located within the district's jurisdiction.

(d) Each district shall designate an enrollment specialist to provide application assistance and follow-up services with families who are eligible for the reduced or free lunch program or who have indicated an interest in receiving information or an application for the Minnesota health care program.

(e) Each school district shall provide on their Web site a link to information on how to obtain an application and application assistance.

Subd. 7. **Renewal notice.** (a) The commissioner shall mail a renewal notice to enrollees notifying the enrollees that the enrollees eligibility must be renewed. A notice shall be sent at least 90 days prior to the renewal date and at least 60 days prior to the renewal date.

(b) For enrollees who are receiving services through managed care plans, the managed care plan must provide a follow-up renewal call at least 60 days prior to the enrollees' renewal dates.

(c) The commissioner shall include the end of coverage dates on the monthly rosters of enrollees provided to managed care organizations.

Sec. 7. Minnesota Statutes 2006, section 256B.057, subdivision 8, is amended to read:

Subd. 8. **Children under age two.** Medical assistance may be paid for a child under two years of age whose countable family income is above 275 percent of the federal poverty guidelines for the same size family but less than or equal to ~~280~~ 305 percent of the federal poverty guidelines for the same size family.

**EFFECTIVE DATE.** This section is effective January 1, 2009, or upon federal approval, whichever is later. The commissioner of human services shall notify the Office of the Revisor of Statutes when federal approval is obtained.



Sec. 8. Minnesota Statutes 2006, section 256L.02, subdivision 3, is amended to read:

Subd. 3. **Financial management.** (a) The commissioner shall manage spending for the MinnesotaCare program in a manner that maintains a minimum reserve. As part of each state revenue and expenditure forecast, the commissioner must make an assessment of the expected expenditures for the covered services for the remainder of the current biennium and for the following biennium. The estimated expenditure, including the reserve, shall be compared to an estimate of the revenues that will be available in the health care access fund. Based on this comparison, and after consulting with the chairs of the house Ways and Means Committee and the senate Finance Committee, and the Legislative Commission on Health Care Access, the commissioner shall, as necessary, make the adjustments specified in paragraph (b) to ensure that expenditures remain within the limits of available revenues for the remainder of the current biennium and for the following biennium. The commissioner shall not hire additional staff using appropriations from the health care access fund until the commissioner of finance makes a determination that the adjustments implemented under paragraph (b) are sufficient to allow MinnesotaCare expenditures to remain within the limits of available revenues for the remainder of the current biennium and for the following biennium.

(b) The adjustments the commissioner shall use must be implemented in this order: first, stop enrollment of single adults and households without children; second, upon 45 days' notice, stop coverage of single adults and households without children already enrolled in the MinnesotaCare program; third, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income above 200 percent of the federal poverty guidelines; fourth, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income at or below 200 percent; and fifth, require applicants to be uninsured for at least six months prior to eligibility in the MinnesotaCare program. If these measures are insufficient to limit the expenditures to the estimated amount of revenue, the commissioner shall further limit enrollment or decrease premium subsidies.

(c) The commissioner shall work in cooperation with the Minnesota Health Insurance Exchange under section 62A.67 to make adjustments under paragraph (b) as required under this subdivision.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 9. Minnesota Statutes 2006, section 256L.02, is amended by adding a subdivision to read:

Subd. 5. **Enrollment responsibilities.** According to section 256L.05, subdivision 6, effective January 1, 2009, the Minnesota Health Insurance Exchange under section 62A.67 shall assume responsibility for enrolling eligible applicants and enrollees in a health plan for MinnesotaCare coverage. The commissioner shall maintain responsibility for determining eligibility for MinnesotaCare.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 10. Minnesota Statutes 2006, section 256L.02, is amended by adding a subdivision to read:

Subd. 6. **Exchange of data.** An entity that is part of the welfare system as defined in section 13.46, subdivision 1, paragraph (c), and the Minnesota Health Insurance Exchange under section 62A.67 may exchange private data about individuals without the individual's consent in order to enroll and collect premiums from individuals in the MinnesotaCare program under chapter 256L and to administer the individual's and the individual's family's participation in the program. This subdivision only applies if the entity that is part of the welfare system and the Minnesota Health Insurance Exchange have entered into an agreement that complies with the requirements in Code of Federal Regulations, title 45, section 164.314.

Sec. 11. Minnesota Statutes 2006, section 256L.04, subdivision 1, is amended to read:

Subdivision 1. **Families with children.** (a) A child in a family with family income equal to or less than 300 percent of the federal poverty guidelines for the applicable family size is eligible for MinnesotaCare under this section. Adults in families with children with family income equal to or less than 275 percent of the federal poverty guidelines for the applicable family size shall be eligible for MinnesotaCare according to this section. All other provisions of sections 256L.01 to 256L.18, including the insurance-related barriers to enrollment under section 256L.07, shall apply unless otherwise specified.

(b) Parents who enroll in the MinnesotaCare program must also enroll their children, if the children are eligible. Children may be enrolled separately without enrollment by parents. However, if one parent in the household enrolls, both parents must enroll, unless other insurance is available. If one child from a family is enrolled, all children must be enrolled, unless other insurance is available. If one spouse in a household enrolls, the other spouse in the household must also enroll, unless other insurance is available. Families cannot choose to enroll only certain uninsured members.

(c) Beginning October 1, 2003, the dependent sibling definition no longer applies to the MinnesotaCare program. These persons are no longer counted in the parental household and may apply as a separate household.

(d) Beginning July 1, 2003, or upon federal approval, whichever is later, parents are not eligible for MinnesotaCare if their gross income exceeds \$50,000.

**EFFECTIVE DATE.** This section is effective January 1, 2009, or upon federal approval, whichever is later. The commissioner of human services shall notify the Office of the Revisor of Statutes when federal approval is obtained.

Sec. 12. Minnesota Statutes 2006, section 256L.05, subdivision 5, is amended to read:

Subd. 5. **Availability of private insurance.** ~~(a) The commissioner, in consultation with the commissioners of health and commerce, shall provide information regarding the availability of private health insurance coverage and the possibility of disenrollment under section 256L.07, subdivision 1, paragraphs (b) and (c), to all: (1) families enrolled in the MinnesotaCare program whose gross family income is equal to or more than 225 percent of the federal poverty guidelines; and (2) single adults and households without children enrolled in the MinnesotaCare program whose gross family income is equal to or more than 165 percent of the federal poverty guidelines. This information must be provided Minnesota Health Insurance Exchange under section 62A.67 upon initial enrollment and annually thereafter. The commissioner shall also include information regarding the availability of private health insurance coverage in~~

~~(b) The notice of ineligibility provided to persons subject to disenrollment under section 256L.07, subdivision 1, paragraphs (b) and (c), must include information about assistance with identifying and selecting private health insurance coverage provided by the Minnesota Health Insurance Exchange under section 62A.67.~~

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 13. Minnesota Statutes 2006, section 256L.05, is amended by adding a subdivision to read:

Subd. 6. **Minnesota Health Insurance Exchange.** The commissioner shall refer all MinnesotaCare applicants and enrollees to the Minnesota Health Insurance Exchange under section 62A.67. The Minnesota Health Insurance Exchange shall provide those referred with assistance in selecting a managed care plan through which to receive

MinnesotaCare covered services and in analyzing health plans available through the private market. MinnesotaCare applicants and enrollees shall effect enrollment in a managed care plan or a private market health plan through the Minnesota Health Insurance Exchange.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 14. Minnesota Statutes 2006, section 256L.06, subdivision 3, is amended to read:

Subd. 3. **Commissioner's duties and payment.** (a) Premiums are dedicated to the commissioner for MinnesotaCare.

(b) The commissioner shall develop and implement procedures to: (1) require enrollees to report changes in income; (2) adjust sliding scale premium payments at the time of eligibility renewal, based upon both increases and decreases in enrollee income, ~~at the time the change in income is reported~~; and (3) disenroll enrollees from MinnesotaCare for failure to pay required premiums. Failure to pay includes payment with a dishonored check, a returned automatic bank withdrawal, or a refused credit card or debit card payment. The commissioner may demand a guaranteed form of payment, including a cashier's check or a money order, as the only means to replace a dishonored, returned, or refused payment.

(c) Premiums are calculated on a calendar month basis and may be paid on a monthly, quarterly, or semiannual basis, with the first payment due upon notice from the commissioner of the premium amount required. The commissioner shall inform applicants and enrollees of these premium payment options. Premium payment is required before enrollment is complete and to maintain eligibility in MinnesotaCare. Premium payments received before noon are credited the same day. Premium payments received after noon are credited on the next working day.

(d) Nonpayment of the premium will result in disenrollment from the plan effective for the calendar month for which the premium was due. Persons disenrolled for nonpayment or who voluntarily terminate coverage from the program may not reenroll until four calendar months have elapsed. Persons disenrolled for nonpayment who pay all past due premiums as well as current premiums due, including premiums due for the period of disenrollment, within 20 days of disenrollment, shall be reenrolled retroactively to the first day of disenrollment. Persons disenrolled for nonpayment or who voluntarily terminate coverage from the program may not reenroll for four calendar months unless the person demonstrates good cause for nonpayment. Good cause does not exist if a person chooses to pay other family expenses instead of the premium. The commissioner shall define good cause in rule.

**EFFECTIVE DATE.** This section is effective January 1, 2009, or upon federal approval, whichever is later. The commissioner shall notify the Office of the Revisor of Statutes when federal approval is obtained.

Sec. 15. **[256L.075] MINNESOTACARE II OPTION ESTABLISHED.**

Subdivision 1. **Program established; enrollment.** The Minnesota Health Insurance Exchange under section 62A.67, in consultation with the commissioner, shall establish and administer a program that subsidizes the purchase of private market health plans for children eligible for MinnesotaCare in families with family income above 200 percent, but not exceeding 300 percent, of the federal poverty guidelines. The program established under this section is referred to as MinnesotaCare II. The private market health coverage provided under this section is an alternative to coverage under section 256L.03. Notwithstanding section 256L.12, children obtaining coverage under this section shall enroll in a health plan, as defined in section 62A.011, subdivision 3, through the individual market, that covers, at a minimum, the standard benefit set established in subdivision 2. Enrollment under this section is administered by the Minnesota Health Insurance Exchange. Eligibility under this section is determined by the commissioner. All other provisions of sections 256L.01 to 256L.18, including the insurance-related barriers to enrollment under section 256L.07, apply to this section unless otherwise specified.

Subd. 2. **Benefit set.** The Minnesota Health Insurance Exchange, in consultation with the commissioner, shall establish a standard benefit set for health plans that qualify for a subsidy under this section. The standard benefit set must be reviewed, and, if necessary, modified on an annual basis. Notwithstanding section 256L.03, subdivision 5, the benefit set may require co-payments, deductibles, and maximum annual out-of-pocket enrollee cost-sharing limits.

Subd. 3. **Health carrier participation.** (a) Health insurers with at least three percent of the market share of premium volume from individual market health plans as determined from loss ratio reports filed under section 62A.021, subdivision 1, paragraph (h), shall offer at least one health plan that covers the standard benefit set, or its actuarial equivalent as determined by the commissioner of commerce, to children enrolled under this section. Health issuers shall offer a health plan that covers the standard benefit set, without a subsidy, to adults so that families can enroll in a single plan. Health insurers that are not required to participate may participate voluntarily. The Minnesota Health Insurance Exchange shall certify those health plans that meet the standards in subdivision 2 and qualify for a subsidy under this section.

(b) Health insurers offering coverage under this section may offer up to three additional health plan products approved by the commissioner of commerce as actuarially equivalent or better than the standard plan established in subdivision 2. The additional products must also qualify for a subsidy if purchased to cover children eligible under this section.

(c) Nothing in this subdivision requires guaranteed issue of MinnesotaCare II health plans.

Subd. 4. **State subsidy; premium.** The cost of coverage for children enrolled under this section is subsidized based on a sliding scale. The amount of the subsidy provided for a child is equal to the cost of the least expensive health plan certified to participate under this section less an amount equal to one-half of the premium that would be paid for the child under section 256L.15, subdivision 2. The commissioner shall pay the subsidy to the Minnesota Health Insurance Exchange. The premium for a child enrolled under this section is equal to the difference between the cost of the health plan through which the coverage is provided and the amount of the subsidy. The premium must be paid to the Minnesota Health Insurance Exchange.

Subd. 5. **Enrollment; limitation on changing plans.** Notwithstanding section 256L.04, subdivision 1, individual children in a family may enroll under this section or under section 256L.03. A child enrolled under this section may change health plans or switch to coverage under section 256L.03 at the time of annual renewal. An enrollee may change health plans or switch to coverage under section 256L.03 at other times during the year if the family of the child experiences a qualifying life event, including, but not limited to, marriage, divorce, a change in dependent status, change in family size, or a change in eligibility for state health care programs under this chapter or chapter 256B or 256D.

Subd. 6. **Bonus accounts incentive.** The Minnesota Health Insurance Exchange shall administer bonus accounts for families with children enrolled under this section. Funds must be credited to a bonus account when a child covered under this section achieves specific goals for preventive services or healthy behaviors. Funds credited to an account can be used by a family to reimburse qualified medical expenses as defined in Internal Revenue Code, section 213(d). The commissioner, in consultation with the Minnesota Health Insurance Exchange, shall establish a schedule of preventive service and healthy behavior goals that qualify for a credit and corresponding credit amounts. Families with children enrolled under this section can qualify for credits of up to \$50 per year per child, up to a maximum of \$150 per year per family. Funds held in the account are available to a family until:

(1) there is no longer a child under age 21 in the family; or

(2) no child in the family has been enrolled under chapter 256B or 256L, or in a health plan through the Minnesota Health Insurance Exchange for the past six months.

Subd. 7. **Federal approval.** The commissioner shall seek all federal waivers and approvals necessary to implement and receive federal financial participation for expenditures under this section.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 16. Minnesota Statutes 2006, section 256L.12, subdivision 7, is amended to read:

Subd. 7. **Managed care plan vendor requirements.** The following requirements apply to all counties or vendors who contract with the Department of Human Services to serve MinnesotaCare recipients. Managed care plan contractors:

(1) shall authorize and arrange for the provision of the full range of services listed in section 256L.03 in order to ensure appropriate health care is delivered to enrollees;

(2) shall accept the prospective, per capita payment or other contractually defined payment from the commissioner in return for the provision and coordination of covered health care services for eligible individuals enrolled in the program;

(3) may contract with other health care and social service practitioners to provide services to enrollees;

(4) shall provide for an enrollee grievance process as required by the commissioner and set forth in the contract with the department;

(5) shall retain all revenue from enrollee co-payments;

(6) shall accept all eligible MinnesotaCare enrollees, without regard to health status or previous utilization of health services;

(7) shall demonstrate capacity to accept financial risk according to requirements specified in the contract with the department. A health maintenance organization licensed under chapter 62D, or a nonprofit health plan licensed under chapter 62C, is not required to demonstrate financial risk capacity, beyond that which is required to comply with chapters 62C and 62D; ~~and~~

(8) shall submit information as required by the commissioner, including data required for assessing enrollee satisfaction, quality of care, cost, and utilization of services; and

(9) shall participate in the Minnesota Health Insurance Exchange under section 62A.67 for the purpose of enrolling individuals under this chapter.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 17. Minnesota Statutes 2006, section 256L.15, subdivision 1a, is amended to read:

Subd. 1a. **Payment options.** (a) The commissioner may offer the following payment options to an enrollee:

(1) payment by check;

(2) payment by credit card;

(3) payment by recurring automatic checking withdrawal;

- (4) payment by onetime electronic transfer of funds;
- (5) payment by wage withholding with the consent of the employer and the employee; or
- (6) payment by using state tax refund payments.

At application or reapplication, a MinnesotaCare applicant or enrollee may authorize the commissioner to use the Revenue Recapture Act in chapter 270A to collect funds from the applicant's or enrollee's refund for the purposes of meeting all or part of the applicant's or enrollee's MinnesotaCare premium obligation. The applicant or enrollee may authorize the commissioner to apply for the state working family tax credit on behalf of the applicant or enrollee. The setoff due under this subdivision shall not be subject to the \$10 fee under section 270A.07, subdivision 1.

(b) Effective January 1, 2009, the Minnesota Health Insurance Exchange under section 62A.67 is responsible for collecting MinnesotaCare premiums.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 18. Minnesota Statutes 2006, section 256L.15, subdivision 2, is amended to read:

Subd. 2. **Sliding fee scale; monthly gross individual or family income.** (a) The commissioner shall establish a sliding fee scale to determine the percentage of monthly gross individual or family income that households at different income levels must pay to obtain coverage through the MinnesotaCare program. The sliding fee scale must be based on the enrollee's monthly gross individual or family income. The sliding fee scale must contain separate tables based on enrollment of one, two, or three or more persons. The sliding fee scale begins with a premium of 1.5 percent of monthly gross individual or family income for individuals or families with incomes below the limits for the medical assistance program for families and children in effect on January 1, 1999, and proceeds through the following evenly spaced steps: 1.8, 2.3, 3.1, 3.8, 4.8, 5.9, 7.4, and 8.8 percent. These percentages are matched to evenly spaced income steps ranging from the medical assistance income limit for families and children in effect on January 1, 1999, to 275 percent of the federal poverty guidelines for the applicable family size, up to a family size of five. The sliding fee scale for a family of five must be used for families of more than five. Effective October 1, 2003, the commissioner shall increase each percentage by 0.5 percentage points for enrollees with income greater than 100 percent but not exceeding 200 percent of the federal poverty guidelines and shall increase each percentage by 1.0 percentage points for families and children with incomes greater than 200 percent of the federal poverty guidelines. The sliding fee scale and percentages are not subject to the provisions of chapter 14. If a family or individual reports ~~increased a change in~~ income after enrollment, premiums shall not be adjusted ~~at the time the change in income is reported~~ until eligibility renewal.

(b) Beginning January 1, 2009, a new sliding fee scale premium schedule is established for children. The premium schedule for children must be used in conjunction with the premium schedule in paragraph (a) for adults to calculate a single MinnesotaCare premium for a family. The sliding fee scale begins with a premium of \$11 per child for households with incomes equal to or greater than 150 percent of the federal poverty guidelines. Premiums must be adjusted at evenly spaced income steps at increments of five percent of the federal poverty guidelines to a maximum premium of \$88 per child for households with incomes equal to 300 percent of the federal poverty guidelines. Premiums must be calculated for up to three children per family. Premiums for children must be adjusted annually at an amount that is proportional to the annual adjustment in premiums for adults. The sliding fee scale in this paragraph does not apply to children enrolled under section 256L.075.

~~(b)~~ (c) Children in families whose gross income is above ~~275~~ 300 percent of the federal poverty guidelines shall pay the maximum premium. The maximum premium is defined as a base charge for one, two, or three or more enrollees so that if all MinnesotaCare cases paid the maximum premium, the total revenue would equal the total cost

of MinnesotaCare medical coverage and administration. In this calculation, administrative costs shall be assumed to equal ten percent of the total. The costs of medical coverage for pregnant women and children under age two and the enrollees in these groups shall be excluded from the total. The maximum premium for two enrollees shall be twice the maximum premium for one, and the maximum premium for three or more enrollees shall be three times the maximum premium for one.

~~(c) After calculating the percentage of premium each enrollee shall pay under paragraph (a), eight percent shall be added to the premium.~~

**EFFECTIVE DATE.** Paragraphs (a) and (b) are effective January 1, 2009, or upon federal approval, whichever is later. The commissioner shall notify the Office of the Revisor of Statutes when federal approval is obtained. Paragraph (c) is effective July 1, 2007.

Sec. 19. Minnesota Statutes 2006, section 256L.15, is amended by adding a subdivision to read:

**Subd. 5. Premium discount incentive.** Adults and families with children are eligible for a premium reduction of \$3 per month for each child who met goals for preventive care or an adult who met goals for cardiac or diabetes care in the previous calendar year. The maximum premium reduction may not exceed \$15 per month per family. The commissioner, in consultation with the Minnesota Health Insurance Exchange, shall establish specific goals for preventive care, including cardiac and diabetes care, that make an enrollee eligible for the premium reduction. The premium discount incentive is administered by the Minnesota Health Insurance Exchange under section 62A.67. Children enrolled under section 256L.075 are not eligible for the premium discount incentive.

**EFFECTIVE DATE.** This section is effective January 1, 2009."

Page 478, line 9, delete "\$6,416,000" and insert "\$31,416,000"

Page 478, line 10, delete "\$5,643,000" and insert "\$30,643,000"

Page 495, after line 11 insert:

**"Dispensing fee increase.** \$50,000,000 from the general fund for the biennium beginning July 1, 2007, is for the commissioner to increase dispensing fees for multiple-source generic drugs under article 3, section 31."

Adjust the fund totals accordingly

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Demmer amendment and the roll was called. There were 44 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Abeler	Beard	Buesgens	DeLaForest	Emmer	Garofalo
Anderson, B.	Berns	Cornish	Demmer	Erickson	Gottwalt
Anderson, S.	Brod	Dean	Dettmer	Finstad	Gunther

Hackbarth	Howes	McNamara	Ruth	Smith	Zellers
Hamilton	Kohls	Nornes	Seifert	Sviggum	
Heidgerken	Lanning	Olson	Severson	Tingelstad	
Holberg	Magnus	Paulsen	Shimanski	Urdahl	
Hoppe	McFarlane	Peppin	Simpson	Westrom	

Those who voted in the negative were:

Anzelc	Erhardt	Johnson	Mahoney	Pelowski	Thao
Atkins	Faust	Juhnke	Mariani	Peterson, A.	Thissen
Benson	Fritz	Kahn	Marquart	Peterson, N.	Tillberry
Bigham	Gardner	Kalin	Masin	Peterson, S.	Tschumper
Bly	Greiling	Knuth	Moe	Poppe	Wagenius
Brown	Hansen	Koenen	Morgan	Rukavina	Walker
Brynaert	Hausman	Kranz	Morrow	Ruud	Ward
Bunn	Haws	Laine	Mullery	Sailer	Welti
Clark	Hilstrom	Lenczewski	Murphy, E.	Scalze	Winkler
Davnie	Hilty	Lesch	Murphy, M.	Sertich	Wollschlager
Dill	Hornstein	Liebling	Nelson	Simon	Spk. Kelliher
Dittrich	Hortman	Lieder	Norton	Slawik	
Dominguez	Hosch	Lillie	Olin	Slocum	
Doty	Huntley	Loeffler	Otremba	Solberg	
Eken	Jaros	Madore	Paymar	Swails	

The motion did not prevail and the amendment was not adopted.

Dean moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 35, delete section 29 and insert:

"Sec. 29. Minnesota Statutes 2006, section 256J.021, is amended to read:

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

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

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



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

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

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

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

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

(d) Beginning March 1, 2008, the commissioner of human services shall treat MFIP expenditures made to or on behalf of any minor child under section 256J.02, subdivision 2, clause (1), who is part of a single eligible caregiver household that meets the criteria in section 256J.32, subdivision 6, clause (6), as expenditures under a separately funded state program. A household is no longer part of the separately funded program if the household no longer meets the criteria in section 256J.32, subdivision 6, clause (6), item (iv), or if it is determined at recertification that:

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

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

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

Page 36, delete section 30 and insert:

"Sec. 30. Minnesota Statutes 2006, section 256J.09, subdivision 3b, is amended to read:

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

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

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

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

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

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

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

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

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

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

Sec. 31. Minnesota Statutes 2006, section 256J.09, is amended by adding a subdivision to read:

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

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

Sec. 32. Minnesota Statutes 2006, section 256J.09, is amended by adding a subdivision to read:

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

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

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

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

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

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

Page 36, delete section 31

Page 40, delete section 32 and insert:

"Sec. 32. Minnesota Statutes 2006, section 256J.24, subdivision 10, is amended to read:

Subd. 10. **MFIP exit level.** The commissioner shall adjust the MFIP earned income disregard to ensure that most participants do not lose eligibility for MFIP until their income reaches at least 115 percent of the federal poverty guidelines in effect in October of each fiscal year. The adjustment to the disregard shall be based on a household size of three, and the resulting earned income disregard percentage must be applied to all household sizes. The adjustment under this subdivision must be implemented at the same time as the October food stamp or food support cost-of-living adjustment is reflected in the food portion of MFIP transitional standard as required under subdivision 5a. A participant who loses eligibility based on achieving an income of at least 115 percent of the federal poverty guidelines shall receive a one-time incentive payment of \$1,000.

Sec. 33. Minnesota Statutes 2006, section 256J.32, subdivision 6, is amended to read:

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

- (1) presence of the minor child in the home, if questionable;
- (2) income, unless excluded, including self-employment expenses used as a deduction or deposits or withdrawals from business accounts;
- (3) assets when the value is within \$200 of the asset limit;
- (4) information to establish an exception under section 256J.24, subdivision 9, if questionable; ~~and~~
- (5) inconsistent information, if related to eligibility;
- (6) beginning March 1, 2008, whether a single eligible caregiver household meets requirements in items (i) to (iv) for inclusion in a separately funded state program under section 256J.021, paragraph (d):
  - (i) the assistance unit has used 24 or more months of MFIP assistance at recertification under this section;
  - (ii) the caregiver is not employed;
  - (iii) the caregiver is not meeting participation requirements under section 256J.55, subdivision 1, paragraph (d), clauses (1) and (2); and
  - (iv) the caregiver meets at least one of the following criteria:
    - (A) a qualified professional has determined the caregiver is unable to obtain or retain employment due to an illness, injury, or incapacity that is expected to last at least 60 days;
    - (B) a qualified professional has certified that the caregiver is required in the home to provide care for a family member, a relative in the household, or a foster child with an illness, injury, or incapacity that is expected to continue more than 60 days;

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

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

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

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

Page 41, after line 4, insert:

"Sec. 34. Minnesota Statutes 2006, section 256J.42, subdivision 6, is amended to read:

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

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

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

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

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

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

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

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

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

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

Page 41, delete section 34

Page 42, delete section 35 and insert:

"Sec. 35. Minnesota Statutes 2006, section 256J.425, is amended by adding a subdivision to read:

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

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

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

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

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

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

(c) If a two-parent assistance unit is extended under subdivision 3 or 4, and a parent who has not reached the 60-month time limit is out of compliance with the requirements in sections 256J.45 or 256J.515 to 256J.57 when the case is extended, the sanction in the 61st month is considered the first sanction for the purposes of applying the sanctions in this subdivision, except that the sanction amount is reduced by 30 percent.

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

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

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

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

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

(f) If the participant was sanctioned for:

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

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

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

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

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

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

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

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

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

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

Sec. 36. Minnesota Statutes 2006, section 256J.425, is amended by adding a subdivision to read:

Subd. 10. **Status of disqualified participants under simplified sanctions.** (a) Beginning July 1, 2008, an assistance unit that is disqualified under subdivision 9, paragraph (a), may be approved for MFIP if the participant complies with MFIP requirements and demonstrates compliance for up to one month. No assistance shall be paid during this period.

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

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

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

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

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

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

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

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

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

Page 43, delete section 36 and insert:

"Sec. 36. Minnesota Statutes 2006, section 256J.46, is amended by adding a subdivision to read:

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

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

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

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

(e) For a second or third occurrence of noncompliance by a participant in an assistance unit, the assistance unit's shelter costs must be vendor paid up to the amount of the cash portion of the MFIP grant for which the assistance unit is eligible. At county option, the assistance unit's utilities may also be vendor paid up to the amount of the cash portion of the MFIP grant remaining after vendor payment of the assistance unit's shelter costs. The residual amount of the grant after vendor payment, if any, is reduced by an amount equal to 30 percent of the MFIP standard of need for an assistance unit of the same size before the residual grant is paid to the assistance unit. The reduction in the grant amount must be in effect for a minimum of one month and is removed in the month following the month that the participant in a one-parent assistance unit returns to compliance. In a two-parent assistance unit, the grant reduction must be in effect for a minimum of one month and is removed in the month following the month both participants return to compliance. The vendor payment of shelter costs and utilities must be removed six months after the month in which the participant or participants return to compliance. If an assistance unit is sanctioned under this paragraph, the participant's case file must be reviewed to determine if the employment plan is still appropriate.

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

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

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

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

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

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

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

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

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

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

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

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

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

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



Sec. 37. Minnesota Statutes 2006, section 256J.46, is amended by adding a subdivision to read:

Subd. 4. **Simplified sanctions for refusal to cooperate with support requirements.** Beginning July 1, 2008, an MFIP caregiver who refuses to cooperate, as determined by the child support enforcement agency, with support requirements under section 256.741, is subject to sanction under this subdivision and subdivision 1. For a first occurrence of noncooperation, the assistance unit's grant must be reduced by 30 percent of the applicable MFIP standard of need. Subsequent occurrences of noncooperation must be subject to sanction under subdivision 3, paragraphs (e) and (f). The residual amount of the grant, if any, is paid to the caregiver. A sanction under this subdivision becomes effective the first month following the month in which a required notice is given. A sanction is not imposed when a caregiver comes into compliance with the requirements under section 256.741 prior to the effective date of the sanction. The sanction is removed in the month following the month that the caregiver cooperates with the support requirements. Each month that an MFIP caregiver fails to comply with the requirements of section 256.741 is considered a separate occurrence of noncompliance for the purpose of applying sanctions under subdivision 3, paragraphs (e) and (f).

Sec. 38. Minnesota Statutes 2006, section 256J.46, is amended by adding a subdivision to read:

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

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

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

(2) noncooperation under subdivision 4 before being subject to sanction for noncompliance under subdivision 3,  
the participant is considered to have a second occurrence of noncompliance and is sanctioned as provided in subdivision 3, paragraph (e). Each subsequent occurrence of noncompliance is considered one additional occurrence and is subject to the applicable level of sanction under subdivision 3. The requirement that the county conduct a review as specified in subdivision 3, paragraph (f), remains in effect.

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

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

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

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

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

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

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

Page 44, delete section 37 and insert:

"Sec. 37. Minnesota Statutes 2006, section 256J.49, subdivision 13, is amended to read:

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

- (1) unsubsidized employment, including work study and paid apprenticeships or internships;
- (2) subsidized private sector or public sector employment, including grant diversion as specified in section 256J.69, on-the-job training as specified in section 256J.66, ~~the self-employment investment demonstration program (SEID) as specified in section 256J.65~~, paid work experience, and supported work when a wage subsidy is provided;
- (3) unpaid work experience, including community service, volunteer work, the community service work experience program as specified in section ~~256J.67~~ 256J.675, unpaid apprenticeships or internships, and supported work when a wage subsidy is not provided;
- (4) job search including job readiness assistance, job clubs, job placement, job-related counseling, and job retention services;
- (5) job readiness education, including English as a second language (ESL) or functional work literacy classes as limited by the provisions of section 256J.531, subdivision 2, general educational development (GED) course work, high school completion, and adult basic education as limited by the provisions of section 256J.531, subdivision 1;
- (6) job skills training directly related to employment, including education and training that can reasonably be expected to lead to employment, as limited by the provisions of section 256J.53;
- (7) providing child care services to a participant who is working in a community service program;
- (8) activities included in the employment plan that is developed under section 256J.521, subdivision 3; and
- (9) preemployment activities including chemical and mental health assessments, treatment, and services; learning disabilities services; child protective services; family stabilization services; or other programs designed to enhance employability.

Sec. 38. Minnesota Statutes 2006, section 256J.50, subdivision 1, is amended to read:

Subdivision 1. **Employment and training services component of MFIP.** (a) Each county must develop and provide an employment and training services component which is designed to put participants on the most direct path to unsubsidized employment. Participation in these services is mandatory for all MFIP caregivers, ~~unless the caregiver is exempt under section 256J.56.~~

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

Page 45, delete section 38

Page 46, delete section 39

Page 48, delete section 40

Page 48, delete section 41 and insert:

"Sec. 41. Minnesota Statutes 2006, section 256J.531, is amended to read:

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

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

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

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

Page 49, delete section 42

Page 50, delete section 43 and insert:

"Sec. 43. Minnesota Statutes 2006, section 256J.626, subdivision 7, is amended to read:

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

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

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

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

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

~~(2) for calendar year 2008 2009 and yearly thereafter, a county or tribe that achieves a 50 percent MFIP TANF work participation rate under section 256J.751, subdivision 2, clause (8) (7), as averaged across the four quarterly measurements for the most recent year for which the measurements are available, will receive an additional allocation equal to 2.5 percent of its initial allocation; and~~

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

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

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

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

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

(3) for calendar years 2006 and thereafter, a tribe that performs within its range of expected performance on the annualized three-year self-support index under section 256J.751, subdivision 2, clause ~~(7)~~ (6), will receive an additional allocation equal to 2.5 percent of its initial allocation.

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

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

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

Sec. 44. Minnesota Statutes 2006, section 256J.626, is amended by adding a subdivision to read:

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

Sec. 45. **[256J.675] COMMUNITY SERVICE WORK EXPERIENCE.**

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

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

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

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

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

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

Sec. 46. **[256J.678] INJURY PROTECTION FOR COMMUNITY SERVICE WORK EXPERIENCE PARTICIPANTS.**

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

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

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

Subd. 4. **Requirements for worksites.** The department of the state, county agency, or tribal program responsible for supervising the work shall ensure that no participant is assigned to a worksite which is in violation of federal Occupational Safety and Health Administration and state Department of Labor and Industry safety standards or is under investigation to determine if those violations have occurred. All participants must be given the same safety information and training given to a paid employee performing similar work at that worksite."

Page 54, delete section 44

Page 55, delete section 45

Page 56, delete sections 46 and 47

Page 57, delete section 48

Page 58, delete section 49

Page 61, delete section 52

Page 62, after line 33, insert:

"Sec. 54. Minnesota Statutes 2006, section 256J.95, subdivision 15, is amended to read:

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

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

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

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

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

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

Page 115, line 21, delete "sections" and insert "section" and delete everything after "256J.29" and insert "is repealed."

Page 115, delete line 22

Page 115, after line 24, insert:

"Sec. 99. **REPEALER.**

Minnesota Statutes 2006, sections 256J.67; and 256J.68, are repealed effective

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

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Adjust fund totals accordingly

The motion did not prevail and the amendment was not adopted.

Brod moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 449, delete section 25

Page 520, line 20, after the period, insert "An additional \$10,511,000 is transferred from the family home visiting grant program appropriation under subdivision 2 to fund this program."

Adjust amounts accordingly

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Brod amendment and the roll was called. There were 45 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Abeler	Berns	Dean	Emmer	Gottwalt	Heidgerken
Anderson, B.	Brod	DeLaForest	Erickson	Gunther	Holberg
Anderson, S.	Buesgens	Demmer	Finstad	Hackbarth	Hoppe
Beard	Cornish	Dettmer	Garofalo	Hamilton	Howes

Kohls	McNamara	Peppin	Severson	Sviggum	Zellers
Lanning	Nornes	Peterson, S.	Shimanski	Tingelstad	
Magnus	Olson	Ruth	Simpson	Urdahl	
McFarlane	Paulsen	Seifert	Smith	Westrom	

Those who voted in the negative were:

Anzelc	Eken	Huntley	Lillie	Norton	Slawik
Atkins	Erhardt	Jaros	Loeffler	Olin	Slocum
Benson	Faust	Johnson	Madore	Otremba	Solberg
Bigham	Fritz	Juhnke	Mahoney	Paymar	Swails
Bly	Gardner	Kahn	Mariani	Pelowski	Thao
Brown	Greiling	Kalin	Marquart	Peterson, A.	Thissen
Brynaert	Hansen	Knuth	Masin	Peterson, N.	Tillberry
Bunn	Hausman	Koenen	Moe	Poppe	Tschumper
Clark	Haws	Kranz	Morgan	Rukavina	Wagenius
Davnie	Hilstrom	Laine	Morrow	Ruud	Ward
Dill	Hilty	Lenczewski	Mullery	Sailer	Walti
Dittrich	Hornstein	Lesch	Murphy, E.	Scalze	Winkler
Dominguez	Hortman	Liebling	Murphy, M.	Sertich	Wollschlager
Doty	Hosch	Lieder	Nelson	Simon	Spk. Kelliher

The motion did not prevail and the amendment was not adopted.

The Speaker resumed the Chair.

Dettmer and Severson moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 353, delete section 28

Page 512, after line 18, insert:

**"Positive alternative grants. \$1,877,000 is to the commissioner of health to be available for positive alternative grants. This appropriation is for the 2008-2009 biennium."**

Adjust amounts accordingly

A roll call was requested and properly seconded.

The question was taken on the Dettmer amendment and the roll was called. There were 58 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Brod	DeLaForest	Doty	Faust	Gottwalt
Anderson, S.	Buesgens	Demmer	Eken	Finstad	Gunther
Beard	Cornish	Dettmer	Emmer	Fritz	Hackbarth
Berns	Dean	Dill	Erickson	Garofalo	Hamilton



Haws	Koenen	McNamara	Paulsen	Shimanski	Ward
Heidgerken	Kohls	Murphy, M.	Pelowski	Simpson	Welti
Holberg	Lanning	Nornes	Peppin	Smith	Westrom
Hoppe	Lenczewski	Olin	Ruth	Sviggum	Zellers
Hosch	Magnus	Olson	Seifert	Tingelstad	
Howes	Marquart	Otremba	Severson	Urdahl	

Those who voted in the negative were:

Abeler	Dominguez	Johnson	Madore	Paymar	Slocum
Anzelc	Erhardt	Juhnke	Mahoney	Peterson, A.	Solberg
Atkins	Gardner	Kahn	Mariani	Peterson, N.	Swails
Benson	Greiling	Kalin	Masin	Peterson, S.	Thao
Bigham	Hansen	Knuth	McFarlane	Poppe	Thissen
Bly	Hausman	Kranz	Moe	Rukavina	Tillberry
Brown	Hilstrom	Laine	Morgan	Ruud	Tschumper
Brynaert	Hilty	Lesch	Morrow	Sailer	Wagenius
Bunn	Hornstein	Liebling	Mullery	Scalze	Walker
Clark	Hortman	Lieder	Murphy, E.	Sertich	Winkler
Davnie	Huntley	Lillie	Nelson	Simon	Wollschlager
Dittrich	Jaros	Loeffler	Norton	Slawik	Spk. Kelliher

The motion did not prevail and the amendment was not adopted.

Buesgens; Smith; Cornish; Dean; Brod; Hamilton; Urdahl; Heidgerken; Severson; Peppin; Ruth; Kohls; Gunther; Garofalo; Eastlund; Magnus; Nornes; Anderson, B.; Otremba; Emmer; Sviggum; Demmer and Hackbarth moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 315, after line 20, insert:

"Sec. 27. Minnesota Statutes 2006, section 145.412, is amended by adding a subdivision to read:

Subd. 2a. **Genetic test.** It shall be unlawful to willfully perform an abortion upon a woman known to be pregnant based on the results of genetic testing performed on the unborn child."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Buesgens et al amendment and the roll was called. There were 60 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Abeler	Berns	Dean	Dill	Erickson	Gottwalt
Anderson, B.	Brod	DeLaForest	Doty	Finstad	Gunther
Anderson, S.	Buesgens	Demmer	Eken	Fritz	Hackbarth
Beard	Cornish	Dettmer	Emmer	Garofalo	Hamilton

Haws	Juhnke	Marquart	Olson	Ruth	Sviggum
Heidgerken	Koenen	McFarlane	Otremba	Seifert	Tingelstad
Holberg	Kohls	McNamara	Paulsen	Severson	Urdahl
Hoppe	Lanning	Murphy, M.	Pelowski	Shimanski	Ward
Hosch	Lenczewski	Nornes	Peppin	Simpson	Westrom
Howes	Magnus	Olin	Peterson, N.	Smith	Zellers

Those who voted in the negative were:

Anzelc	Erhardt	Kahn	Mariani	Poppe	Thissen
Atkins	Gardner	Kalin	Masin	Rukavina	Tillberry
Benson	Greiling	Knuth	Moe	Ruud	Tschumper
Bigham	Hansen	Kranz	Morgan	Sailer	Wagenius
Bly	Hausman	Laine	Morrow	Scalze	Walker
Brown	Hilstrom	Lesch	Mullery	Sertich	Welti
Brynaert	Hilty	Liebling	Murphy, E.	Simon	Winkler
Bunn	Hornstein	Lieder	Nelson	Slawik	Wollschlager
Clark	Hortman	Lillie	Norton	Slocum	Spk. Kelliher
Davnie	Huntley	Loeffler	Paymar	Solberg	
Dittrich	Jaros	Madore	Peterson, A.	Swails	
Dominguez	Johnson	Mahoney	Peterson, S.	Thao	

The motion did not prevail and the amendment was not adopted.

Brod; Simpson; Dettmer; Smith; Hackbarth; Hamilton; Heidgerken; Ruth; Dean; Shimanski; Tingelstad; Zellers; Sviggum; Magnus; Urdahl; Cornish; Severson; Kohls; Gunther; Emmer; Anderson, B.; Garofalo; Eastlund; Erickson; Otremba; Nornes; Buesgens; Lanning; Finstad; Demmer; Beard; Seifert and Peppin moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 315, after line 20, insert:

"Sec. 27. **[145.4122] NON-HOSPITAL-PERFORMED ABORTIONS; REQUIREMENT; MISDEMEANOR.**

**Subdivision 1. Physician requirement.** A physician who knowingly and intentionally performs or induces an abortion, who does not have clinical privileges at a hospital which offers obstetrical or gynecological care within the state and within 20 miles of the location where the abortion is performed or induced, is guilty of a misdemeanor and is subject to the criminal penalties provided by law. For purposes of this section, abortion has the meaning given in section 144.343, subdivision 3.

**Subd. 2. Severability.** If any one or more provision, section, subdivision, sentence, clause, phrase, or word of this section or the application of it to any person or circumstance is found to be unconstitutional, it is declared to be severable and the balance of this section shall remain effective notwithstanding such unconstitutionality. The legislature intends that it would have passed this section, and each provision, section, subdivision, sentence, clause, phrase, or word irrespective of the fact that any one provision, section, subdivision, sentence, clause, phrase, or word is declared unconstitutional.

**Subd. 3. Supreme Court jurisdiction.** The Minnesota Supreme Court has original jurisdiction over an action challenging the constitutionality of this section and shall expedite the resolution of the action."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Brod et al amendment and the roll was called. There were 60 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Abeler	Demmer	Gottwalt	Juhnke	Nornes	Severson
Anderson, B.	Dettmer	Gunther	Koenen	Olin	Shimanski
Anderson, S.	Dill	Hackbarth	Kohls	Olson	Simpson
Beard	Doty	Hamilton	Lanning	Otremba	Smith
Berns	Eken	Haws	Lenczewski	Paulsen	Sviggun
Brod	Emmer	Heidgerken	Magnus	Pelowski	Tingelstad
Buesgens	Faust	Holberg	Marquart	Peppin	Urdahl
Cornish	Finstad	Hoppe	McFarlane	Peterson, N.	Ward
Dean	Fritz	Hosch	McNamara	Ruth	Westrom
DeLaForest	Garofalo	Howes	Murphy, M.	Seifert	Zellers

Those who voted in the negative were:

Anzelc	Erhardt	Kahn	Mariani	Poppe	Tillberry
Atkins	Gardner	Kalin	Masin	Rukavina	Tschumper
Benson	Greiling	Knuth	Moe	Ruud	Wagenius
Bigham	Hansen	Kranz	Morgan	Sailer	Walker
Bly	Hausman	Laine	Morrow	Scalze	Walti
Brown	Hilstrom	Lesch	Mullery	Sertich	Winkler
Brynaert	Hilty	Liebling	Murphy, E.	Simon	Wollschlager
Bunn	Hornstein	Lieder	Nelson	Slawik	Spk. Kelliher
Clark	Hortman	Lillie	Norton	Slocum	
Davnie	Huntley	Loeffler	Paymar	Swails	
Dittrich	Jaros	Madore	Peterson, A.	Thao	
Dominguez	Johnson	Mahoney	Peterson, S.	Thissen	

The motion did not prevail and the amendment was not adopted.

Hamilton, Magnus, Gunther and Shimanski moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 35, delete section 29 and insert:

"Sec. 29. Minnesota Statutes 2006, section 256J.021, is amended to read:

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

(a) ~~Until October 1, 2006, the commissioner of human services must treat MFIP expenditures made to or on behalf of any minor child under section 256J.02, subdivision 2, clause (1), who is a resident of this state under section 256J.12, and who is part of a two-parent eligible household as expenditures under a separately funded state~~

~~program and report those expenditures to the federal Department of Health and Human Services as separate state program expenditures under Code of Federal Regulations, title 45, section 263.5. Families receiving assistance under this section shall comply with all applicable requirements in this chapter.~~

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

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

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

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

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

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

~~(d) Beginning March 1, 2008, the commissioner of human services shall treat MFIP expenditures made to or on behalf of any minor child under section 256J.02, subdivision 2, clause (1), who is part of a single eligible caregiver household that meets the criteria in section 256J.32, subdivision 6, clause (6), as expenditures under a separately funded state program. A household is no longer part of the separately funded program if the household no longer meets the criteria in section 256J.32, subdivision 6, clause (6), item (iv), or if it is determined at recertification that:~~

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

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

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

Page 36, delete section 30 and insert:

"Sec. 30. Minnesota Statutes 2006, section 256J.09, subdivision 3b, is amended to read:

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

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

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

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

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

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

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

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

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

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

Sec. 31. Minnesota Statutes 2006, section 256J.09, is amended by adding a subdivision to read:

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

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

Sec. 32. Minnesota Statutes 2006, section 256J.09, is amended by adding a subdivision to read:

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

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

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

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

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

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

Page 36, delete section 31

Page 40, delete section 32 and insert:

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

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

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

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

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

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

(5) inconsistent information, if related to eligibility;

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

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

(ii) the caregiver is not employed;

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

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

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

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

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

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

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

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

Page 41, after line 4, insert:

"Sec. 34. Minnesota Statutes 2006, section 256J.42, subdivision 6, is amended to read:

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

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

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

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

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

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

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

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

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

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

Page 41, delete section 34

Page 42, delete section 35 and insert:

"Sec. 35. Minnesota Statutes 2006, section 256J.425, is amended by adding a subdivision to read:

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

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

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

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

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

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

(c) If a two-parent assistance unit is extended under subdivision 3 or 4, and a parent who has not reached the 60-month time limit is out of compliance with the requirements in sections 256J.45 or 256J.515 to 256J.57 when the case is extended, the sanction in the 61st month is considered the first sanction for the purposes of applying the sanctions in this subdivision, except that the sanction amount is reduced by 30 percent.

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

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

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

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

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

(f) If the participant was sanctioned for:

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

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



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

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

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

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

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

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

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

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

Sec. 36. Minnesota Statutes 2006, section 256J.425, is amended by adding a subdivision to read:

Subd. 10. **Status of disqualified participants under simplified sanctions.** (a) Beginning July 1, 2008, an assistance unit that is disqualified under subdivision 9, paragraph (a), may be approved for MFIP if the participant complies with MFIP requirements and demonstrates compliance for up to one month. No assistance shall be paid during this period.

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

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

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

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

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

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

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

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

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

Page 43, delete section 36 and insert:

"Sec. 36. Minnesota Statutes 2006, section 256J.46, is amended by adding a subdivision to read:

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

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

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

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

(e) For a second or third occurrence of noncompliance by a participant in an assistance unit, the assistance unit's shelter costs must be vendor paid up to the amount of the cash portion of the MFIP grant for which the assistance unit is eligible. At county option, the assistance unit's utilities may also be vendor paid up to the amount of the cash portion of the MFIP grant remaining after vendor payment of the assistance unit's shelter costs. The residual amount of the grant after vendor payment, if any, is reduced by an amount equal to 30 percent of the MFIP standard of need for an assistance unit of the same size before the residual grant is paid to the assistance unit. The reduction in the grant amount must be in effect for a minimum of one month and is removed in the month following the month that the participant in a one-parent assistance unit returns to compliance. In a two-parent assistance unit, the grant reduction must be in effect for a minimum of one month and is removed in the month following the month both participants return to compliance. The vendor payment of shelter costs and utilities must be removed six months after the month in which the participant or participants return to compliance. If an assistance unit is sanctioned under this paragraph, the participant's case file must be reviewed to determine if the employment plan is still appropriate.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 37. Minnesota Statutes 2006, section 256J.46, is amended by adding a subdivision to read:

Subd. 4. **Simplified sanctions for refusal to cooperate with support requirements.** Beginning July 1, 2008, an MFIP caregiver who refuses to cooperate, as determined by the child support enforcement agency, with support requirements under section 256.741, is subject to sanction under this subdivision and subdivision 1. For a first occurrence of noncooperation, the assistance unit's grant must be reduced by 30 percent of the applicable MFIP standard of need. Subsequent occurrences of noncooperation must be subject to sanction under subdivision 3, paragraphs (e) and (f). The residual amount of the grant, if any, is paid to the caregiver. A sanction under this subdivision becomes effective the first month following the month in which a required notice is given. A sanction is not imposed when a caregiver comes into compliance with the requirements under section 256.741 prior to the effective date of the sanction. The sanction is removed in the month following the month that the caregiver cooperates with the support requirements. Each month that an MFIP caregiver fails to comply with the requirements of section 256.741 is considered a separate occurrence of noncompliance for the purpose of applying sanctions under subdivision 3, paragraphs (e) and (f).

Sec. 38. Minnesota Statutes 2006, section 256J.46, is amended by adding a subdivision to read:

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

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

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

(2) noncooperation under subdivision 4 before being subject to sanction for noncompliance under subdivision 3,  
the participant is considered to have a second occurrence of noncompliance and is sanctioned as provided in subdivision 3, paragraph (e). Each subsequent occurrence of noncompliance is considered one additional occurrence and is subject to the applicable level of sanction under subdivision 3. The requirement that the county conduct a review as specified in subdivision 3, paragraph (f), remains in effect.

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

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

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

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

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

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

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

Page 44, delete section 37 and insert:

"Sec. 37. Minnesota Statutes 2006, section 256J.49, subdivision 13, is amended to read:

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

- (1) unsubsidized employment, including work study and paid apprenticeships or internships;
- (2) subsidized private sector or public sector employment, including grant diversion as specified in section 256J.69, on-the-job training as specified in section 256J.66, ~~the self-employment investment demonstration program (SEID) as specified in section 256J.65~~, paid work experience, and supported work when a wage subsidy is provided;
- (3) unpaid work experience, including community service, volunteer work, the community service work experience program as specified in section ~~256J.67~~ 256J.675, unpaid apprenticeships or internships, and supported work when a wage subsidy is not provided;
- (4) job search including job readiness assistance, job clubs, job placement, job-related counseling, and job retention services;
- (5) job readiness education, including English as a second language (ESL) or functional work literacy classes as limited by the provisions of section 256J.531, subdivision 2, general educational development (GED) course work, high school completion, and adult basic education as limited by the provisions of section 256J.531, subdivision 1;
- (6) job skills training directly related to employment, including education and training that can reasonably be expected to lead to employment, as limited by the provisions of section 256J.53;
- (7) providing child care services to a participant who is working in a community service program;
- (8) activities included in the employment plan that is developed under section 256J.521, subdivision 3; and
- (9) preemployment activities including chemical and mental health assessments, treatment, and services; learning disabilities services; child protective services; family stabilization services; or other programs designed to enhance employability.

Sec. 38. Minnesota Statutes 2006, section 256J.50, subdivision 1, is amended to read:

Subdivision 1. **Employment and training services component of MFIP.** (a) Each county must develop and provide an employment and training services component which is designed to put participants on the most direct path to unsubsidized employment. Participation in these services is mandatory for all MFIP caregivers, ~~unless the caregiver is exempt under section 256J.56.~~

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

Page 45, delete section 38

Page 46, delete section 39

Page 48, delete section 40

Page 48, delete section 41 and insert:

"Sec. 41. Minnesota Statutes 2006, section 256J.531, is amended to read:

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

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

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

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

Page 49, delete section 42

Page 50, delete section 43 and insert:

"Sec. 43. Minnesota Statutes 2006, section 256J.626, subdivision 7, is amended to read:

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

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

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

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

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

~~(2) for calendar year 2008 2009 and yearly thereafter, a county or tribe that achieves a 50 percent MFIP TANF work participation rate under section 256J.751, subdivision 2, clause (8) (7), as averaged across the four quarterly measurements for the most recent year for which the measurements are available, will receive an additional allocation equal to 2.5 percent of its initial allocation; and~~

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

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

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

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

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

(3) for calendar years 2006 and thereafter, a tribe that performs within its range of expected performance on the annualized three-year self-support index under section 256J.751, subdivision 2, clause ~~(7)~~ (6), will receive an additional allocation equal to 2.5 percent of its initial allocation.

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

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

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

Sec. 44. Minnesota Statutes 2006, section 256J.626, is amended by adding a subdivision to read:

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

Sec. 45. **[256J.675] COMMUNITY SERVICE WORK EXPERIENCE.**

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

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

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

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

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

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

Sec. 46. **[256J.678] INJURY PROTECTION FOR COMMUNITY SERVICE WORK EXPERIENCE PARTICIPANTS.**

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



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

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

Subd. 4. **Requirements for worksites.** The department of the state, county agency, or tribal program responsible for supervising the work shall ensure that no participant is assigned to a worksite which is in violation of federal Occupational Safety and Health Administration and state Department of Labor and Industry safety standards or is under investigation to determine if those violations have occurred. All participants must be given the same safety information and training given to a paid employee performing similar work at that worksite."

Page 54, delete section 44

Page 55, delete section 45

Page 56, delete sections 46 and 47

Page 57, delete section 48

Page 58, delete section 49

Page 61, delete section 52

Page 62, after line 33, insert:

"Sec. 54. Minnesota Statutes 2006, section 256J.95, subdivision 15, is amended to read:

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

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

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

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

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

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

Page 115, line 21, delete "sections" and insert "section" and delete everything after "256J.29" and insert "is repealed."

Page 115, delete line 22

Page 115, after line 24, insert:

"Sec. 99. **REPEALER.**

Minnesota Statutes 2006, sections 256J.67; and 256J.68, are repealed effective

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

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

Page 234, after line 15, insert:

"Sec. 64. Minnesota Statutes 2006, section 256B.434, is amended by adding a subdivision to read:

Subd. 21. **Adjustment for low-payment rate facilities.** (a) For the rate year beginning October 1, 2007, the commissioner shall adjust operating payment rates for low-payment rate nursing facilities reimbursed under this section and licensed under chapter 144A, in accordance with this subdivision.

(b) The commissioner shall determine a value for an operating payment rate with a RUGS index of 1.00, such that the cost to increase the operating payment rate for all nursing facilities with operating payment rates less than that value by an amount equal to 50 percent of the difference between their operating payment rate with a RUGS index equal to 1.00 and the value determined under this paragraph not to exceed an increase of six percent of a facility's operating payment rate with a RUGS index equal to 1.00, does not exceed the amount appropriated for this purpose.

(c) Effective September 30, 2007, the commissioner shall identify all nursing facilities with operating payment rates with a RUGS index equal to 1.00, that are less than the value determined in paragraph (b).

(d) Effective September 30, 2007, the commissioner shall provide each nursing facility identified in paragraph (c) with an increase in their operating payment rate with a RUGS index of 1.00 that is equal to 50 percent of the difference between their operating payment rate with a RUGS index equal to 1.00, and the value determined in paragraph (b), but not to exceed an increase of six percent of the operating payment rate with a RUGS index equal to 1.00.

(e) The commissioner shall apportion the amount of the RUGS index equal to 1.00 computed in paragraph (d) between case mix and noncase mix per diems in proportion to the amounts in effect on September 30, 2007. The commissioner shall multiply the case mix portion by the RUGS indices and add the noncase mix portion to that product to determine the other RUGS operating rates.

(f) The rate adjustment provided in paragraph (d) shall be added after the rate adjustments provided under sections 256B.431, subdivision 41, and 256B.441, subdivision 46."

Page 477, line 22, delete "\$4,269,000" and insert "\$13,269,000"

Page 477, line 23, delete "\$4,889,000" and insert "\$13,889,000"

Page 477, after line 25 insert:

**"TANF Transfer to Federal Child Care and Development Fund.** The following TANF fund amount is appropriated to the commissioner for the purposes of MFIP transition year child care under MFIP, Minnesota Statutes, section 119B.05:

(1) fiscal year 2008, \$5,643,000;

(2) fiscal year 2009, \$14,372,000;

(3) fiscal year 2010, \$17,616,000; and

(4) fiscal year 2011, \$17,320,000.

The commissioner shall authorize transfer of sufficient TANF funds to the federal Child Care and Development Fund to meet this appropriation and shall ensure that all transferred funds are expended according the federal Child Care and Development Fund regulations."

Renumber the sections in sequence and correct the internal references

Adjust fund totals accordingly

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Hamilton et al amendment and the roll was called. There were 49 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Abeler	DeLaForest	Gottwalt	Lanning	Peppin	Tingelstad
Anderson, B.	Demmer	Gunther	Lieder	Peterson, A.	Urdahl
Anderson, S.	Dettmer	Hackbarth	Magnus	Ruth	Westrom
Beard	Dill	Hamilton	McFarlane	Seifert	Zellers
Berns	Eken	Heidgerken	McNamara	Severson	
Brod	Emmer	Holberg	Nornes	Shimanski	
Buesgens	Erickson	Hoppe	Olson	Simpson	
Cornish	Finstad	Howes	Otremba	Smith	
Dean	Garofalo	Kohls	Paulsen	Sviggum	

Those who voted in the negative were:

Anzelc	Bly	Clark	Doty	Gardner	Haws
Atkins	Brown	Davnie	Erhardt	Greiling	Hilstrom
Benson	Brynaert	Dittrich	Faust	Hansen	Hilty
Bigham	Bunn	Dominguez	Fritz	Hausman	Hornstein

Hortman	Kranz	Marquart	Olin	Sertich	Wagenius
Hosch	Laine	Masin	Paymar	Simon	Walker
Huntley	Lenczewski	Moe	Pelowski	Slawik	Ward
Jaros	Lesch	Morgan	Peterson, N.	Slocum	Walti
Johnson	Liebling	Morrow	Peterson, S.	Solberg	Winkler
Juhnke	Lillie	Mullery	Poppe	Swails	Wollschlager
Kahn	Loeffler	Murphy, E.	Rukavina	Thao	Spk. Kelliher
Kalin	Madore	Murphy, M.	Ruud	Thissen	
Knuth	Mahoney	Nelson	Sailer	Tillberry	
Koenen	Mariani	Norton	Scalze	Tschumper	

The motion did not prevail and the amendment was not adopted.

Erickson; Smith; Dettmer; Severson; Urdahl; Hamilton; Magnus; Cornish; Simpson; Buesgens; Dean; Heidgerken; Kohls; Finstad; Ruth; Shimanski; Gunther; Zellers; Brod; Peppin; Tingelstad; Emmer; Anderson, B.; Sviggum; Beard; Demmer; Garofalo; Eastlund; Nornes; Otremba; Hackbarth; McFarlane and Seifert moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 315, after line 20, insert:

"Sec. 27. Minnesota Statutes 2006, section 145.412, is amended by adding a subdivision to read:

Subd. 2a. **Sex selection.** It shall be unlawful to willfully perform an abortion, based on the sex of the unborn child, upon a woman known to be pregnant."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Erickson et al amendment and the roll was called. There were 70 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Abeler	Demmer	Gottwalt	Kohls	Otremba	Simpson
Anderson, B.	Dettmer	Gunther	Lanning	Paulsen	Smith
Anderson, S.	Dill	Hackbarth	Lenczewski	Pelowski	Sviggum
Beard	Dittrich	Hamilton	Lieder	Peppin	Swails
Benson	Doty	Haws	Magnus	Peterson, A.	Tingelstad
Berns	Eken	Heidgerken	Marquart	Peterson, N.	Urdahl
Brod	Emmer	Holberg	McFarlane	Ruth	Ward
Buesgens	Erickson	Hoppe	McNamara	Sailer	Walti
Bunn	Faust	Hosch	Murphy, M.	Scalze	Westrom
Cornish	Finstad	Howes	Nornes	Seifert	Zellers
Dean	Fritz	Juhnke	Olin	Severson	
DeLaForest	Garofalo	Koenen	Olson	Shimanski	

Those who voted in the negative were:

Anzelc	Gardner	Johnson	Madore	Norton	Thao
Atkins	Greiling	Kahn	Mahoney	Paymar	Thissen
Bigham	Hansen	Kalin	Mariani	Peterson, S.	Tillberry
Bly	Hausman	Knuth	Masin	Poppe	Tschumper
Brown	Hilstrom	Kranz	Moe	Rukavina	Wagenius
Brynaert	Hilty	Laine	Morgan	Ruud	Walker
Clark	Hornstein	Lesch	Morrow	Sertich	Winkler
Davnie	Hortman	Liebling	Mullery	Simon	Wollschlager
Dominguez	Huntley	Lillie	Murphy, E.	Slawik	Spk. Kelliher
Erhardt	Jaros	Loeffler	Nelson	Slocum	

The motion prevailed and the amendment was adopted.

Peppin, Dean, Brod and Emmer moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 35, delete section 29 and insert:

"Sec. 29. Minnesota Statutes 2006, section 256J.021, is amended to read:

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

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

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

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

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

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

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

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

(d) Beginning March 1, 2008, the commissioner of human services shall treat MFIP expenditures made to or on behalf of any minor child under section 256J.02, subdivision 2, clause (1), who is part of a single eligible caregiver household that meets the criteria in section 256J.32, subdivision 6, clause (6), as expenditures under a separately funded state program. A household is no longer part of the separately funded program if the household no longer meets the criteria in section 256J.32, subdivision 6, clause (6), item (iv), or if it is determined at recertification that:

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

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

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

Page 36, delete section 30 and insert:

"Sec. 30. Minnesota Statutes 2006, section 256J.09, subdivision 3b, is amended to read:

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

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

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

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

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

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

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

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

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

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

Sec. 31. Minnesota Statutes 2006, section 256J.09, is amended by adding a subdivision to read:

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

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

Sec. 32. Minnesota Statutes 2006, section 256J.09, is amended by adding a subdivision to read:

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

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

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

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

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

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

Page 36, delete section 31

Page 40, delete section 32 and insert:

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

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

- (1) presence of the minor child in the home, if questionable;
- (2) income, unless excluded, including self-employment expenses used as a deduction or deposits or withdrawals from business accounts;
- (3) assets when the value is within \$200 of the asset limit;
- (4) information to establish an exception under section 256J.24, subdivision 9, if questionable; ~~and~~
- (5) inconsistent information, if related to eligibility;
- (6) beginning March 1, 2008, whether a single eligible caregiver household meets requirements in items (i) to (iv) for inclusion in a separately funded state program under section 256J.021, paragraph (d):
  - (i) the assistance unit has used 24 or more months of MFIP assistance at recertification under this section;
  - (ii) the caregiver is not employed;
  - (iii) the caregiver is not meeting participation requirements under section 256J.55, subdivision 1, paragraph (d), clauses (1) and (2); and
  - (iv) the caregiver meets at least one of the following criteria:
    - (A) a qualified professional has determined the caregiver is unable to obtain or retain employment due to an illness, injury, or incapacity that is expected to last at least 60 days;
    - (B) a qualified professional has certified that the caregiver is required in the home to provide care for a family member, a relative in the household, or a foster child with an illness, injury, or incapacity that is expected to continue more than 60 days;
    - (C) a qualified professional has determined that the caregiver is needed in the home to care for a child or adult meeting the special medical criteria in section 256J.561, subdivision 2, paragraph (d), clause (3);
    - (D) a qualified professional has determined that the caregiver is pregnant and unable to obtain or retain employment for at least 60 days due to the pregnancy;
    - (E) the caregiver has a documented disability and has applied for supplemental security income or Social Security disability insurance and a determination is pending; and
    - (F) the caregiver qualifies for a family violence waiver under section 256J.545."

Page 41, after line 4, insert:

"Sec. 34. Minnesota Statutes 2006, section 256J.42, subdivision 6, is amended to read:

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



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

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

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

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

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

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

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

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

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

Page 41, delete section 34

Page 42, delete section 35 and insert:

"Sec. 35. Minnesota Statutes 2006, section 256J.425, is amended by adding a subdivision to read:

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

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

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

(3) for a fourth occurrence of noncompliance, the assistance unit is disqualified from MFIP.

If a participant is determined to be out of compliance, the participant may claim a good cause exception under section 256J.57.

(b) If both participants in a two-parent assistance unit are out of compliance at the same time, it is considered one occurrence of noncompliance.

(c) If a two-parent assistance unit is extended under subdivision 3 or 4, and a parent who has not reached the 60-month time limit is out of compliance with the requirements in sections 256J.45 or 256J.515 to 256J.57 when the case is extended, the sanction in the 61st month is considered the first sanction for the purposes of applying the sanctions in this subdivision, except that the sanction amount is reduced by 30 percent.

(d) If one or both participants in an assistance unit receiving assistance under this section refuses to cooperate, as determined by the child support agency, with support requirements under section 256J.41, the following sanctions apply:

(1) for a first occurrence of noncooperation, the assistance unit's grant is reduced by 30 percent of the applicable MFIP standard of need;

(2) for a second or third occurrence of noncompliance, the assistance unit is sanctioned under section 256J.46, subdivision 3, paragraph (e); and

(3) for a fourth occurrence of noncompliance, the assistance unit is disqualified from MFIP.

(e) A participant subject to a sanction for refusal to comply with child support requirements and subject to a concurrent employment services sanction is subject to sanctions under paragraphs (f) to (i).

(f) If the participant was sanctioned for:

(1) noncompliance under paragraph (a) before being subject to sanction for noncooperation under paragraph (d);  
or

(2) noncooperation under paragraph (d) before being subject to sanction for noncompliance under paragraph (a), the participant is considered to have second occurrence of noncompliance and shall be sanctioned under section 256J.46, subdivision 3, paragraph (e). Each subsequent occurrence of noncompliance is considered one additional occurrence and is subject to the applicable level of sanction under section 256J.46, subdivision 3.

(g) A participant who first becomes subject to sanction under both paragraphs (a) and (d) in the same month is subject to sanction as follows:

(1) in the first month of noncompliance and noncooperation, the participant's grant is reduced by 30 percent of the applicable MFIP standard of need, with any residual amount paid to the participant;

(2) in the second or third month of noncompliance and noncooperation, the participant is subject to the sanction under section 256J.46, subdivision 3, paragraph (e); and

(3) on the fourth month of noncompliance and noncooperation, the participant is disqualified.

(h) A participant remains subject to sanction under paragraph (d) if the participant:

(1) returns to compliance and is no longer subject to sanction for noncompliance with section 256J.45 or sections 256J.515 to 256J.57; or

(2) has the sanction for noncompliance with section 256J.45 or sections 256J.515 to 256J.57 removed upon completion of the review under section 256J.46, subdivision 3, paragraph (f).

(i) A participant remains subject to sanction under paragraph (a) if the participant cooperates and is no longer subject to sanction under paragraph (d).

Sec. 36. Minnesota Statutes 2006, section 256J.425, is amended by adding a subdivision to read:

Subd. 10. **Status of disqualified participants under simplified sanctions.** (a) Beginning July 1, 2008, an assistance unit that is disqualified under subdivision 9, paragraph (a), may be approved for MFIP if the participant complies with MFIP requirements and demonstrates compliance for up to one month. No assistance shall be paid during this period.

(b) An assistance unit that is disqualified under subdivision 9 and that reappplies under paragraph (a) is subject to sanction under section 256J.46, subdivision 3, paragraph (e), for a first occurrence of noncompliance. A subsequent occurrence of noncompliance results in a permanent disqualification.

(c) If one participant in a two-parent assistance unit receiving assistance under a hardship extension under subdivision 3 or 4 is determined to be out of compliance with MFIP requirements, the county shall give the assistance unit the option of disqualifying the noncompliant participant from MFIP. In that case, the assistance unit is treated as a one-parent assistance unit for the purposes of meeting the work requirements under subdivision 4, and the assistance unit's MFIP grant is calculated using the shared household standard under section 256J.08, subdivision 82a. An applicant who is disqualified from receiving assistance under this paragraph may reapply under paragraph (a). If a participant is disqualified from MFIP under this subdivision a second time, the participant is permanently disqualified from MFIP.

(d) Prior to a disqualification under this subdivision, a county agency must review the participant's case to determine if the employment plan is still appropriate and attempt to meet with the participant face-to-face. If a face-to-face meeting is not conducted, the county agency shall send the participant a notice of adverse action as provided in section 256J.31. During the face-to-face meeting, the county agency shall:

(1) determine whether the continued noncompliance can be explained and mitigated by providing a needed preemployment activity, as defined in section 256J.49, subdivision 13, clause (9);

(2) determine whether the participant qualifies for a good cause exception under section 256J.57;

(3) inform the participant of the family violence waiver criteria and make appropriate referrals if the waiver is requested;

(4) inform the participant of the participant's sanction status and explain the consequences of continuing noncompliance;

(5) identify other resources that may be available to the participant to meet the needs of the family; and

(6) inform the participant of the right to appeal under section 256J.40."

Page 43, delete section 36 and insert:

"Sec. 36. Minnesota Statutes 2006, section 256J.46, is amended by adding a subdivision to read:

Subd. 3. **Simplified sanctions.** (a) Beginning July 1, 2008, a participant who fails without good cause under section 256J.57 to comply with the requirements of this chapter, and who is not subject to a sanction under subdivision 4, is subject to a sanction under this subdivision. Prior to the imposition of a sanction, a county agency shall provide a notice of intent to sanction under section 256J.57, subdivision 2, and, when applicable, a notice of adverse action under section 256J.31.

(b) A sanction under this subdivision becomes effective the month following the month in which a required notice is given. A sanction is not imposed when a participant comes into compliance with the requirements for orientation under section 256J.45 prior to the effective date of the sanction. A sanction is not imposed when a participant comes into compliance with the requirements for employment and training services under sections 256J.515 to 256J.57 ten days prior to the effective date of the sanction. For purposes of this subdivision, each month that a participant fails to comply with a requirement of this chapter is considered a separate occurrence of noncompliance. If both participants in a two-parent assistance unit are out of compliance at the same time, it is considered one occurrence of noncompliance.

(c) Sanctions for noncompliance are imposed as prescribed by paragraphs (d) and (e).

(d) For the first occurrence of noncompliance by a participant in an assistance unit, the assistance unit's grant is reduced by ten percent of the MFIP standard of need for an assistance unit of the same size with the residual grant paid to the participant. The reduction in the grant amount must be in effect for a minimum of one month and is removed in the month following the month that the participant returns to compliance.

(e) For a second or third occurrence of noncompliance by a participant in an assistance unit, the assistance unit's shelter costs must be vendor paid up to the amount of the cash portion of the MFIP grant for which the assistance unit is eligible. At county option, the assistance unit's utilities may also be vendor paid up to the amount of the cash portion of the MFIP grant remaining after vendor payment of the assistance unit's shelter costs. The residual amount of the grant after vendor payment, if any, is reduced by an amount equal to 30 percent of the MFIP standard of need for an assistance unit of the same size before the residual grant is paid to the assistance unit. The reduction in the grant amount must be in effect for a minimum of one month and is removed in the month following the month that the participant in a one-parent assistance unit returns to compliance. In a two-parent assistance unit, the grant reduction must be in effect for a minimum of one month and is removed in the month following the month both participants return to compliance. The vendor payment of shelter costs and utilities must be removed six months after the month in which the participant or participants return to compliance. If an assistance unit is sanctioned under this paragraph, the participant's case file must be reviewed to determine if the employment plan is still appropriate.

(f) For a fourth occurrence of noncompliance by a participant in an assistance unit, or when the participants in a two-parent assistance unit have a total of four occurrences of noncompliance, the county agency shall close the MFIP assistance unit's financial assistance case, including both the cash and food portions, and redetermine the family's continued eligibility for food support payments. The MFIP case must remain closed for a minimum of one full month. Before the case is closed, the county agency shall review the participant's case to determine if the employment plan is still appropriate and attempt to meet with the participant face-to-face. The participant may bring an advocate to the face-to-face meeting. If a face-to-face meeting is not conducted, the county agency shall send the participant a written notice that includes the information required under paragraph (g).

(g) During the face-to-face meeting in paragraph (f), the county agency must:

(1) determine whether the continued noncompliance can be explained and mitigated by providing a needed preemployment activity, as defined in section 256J.49, subdivision 13, clause (9);

(2) determine whether the participant qualifies for a good cause exception under section 256J.57, or if the sanction is for noncooperation with child support requirements, determine if the participant qualifies for a good cause exemption under section 256.741, subdivision 10;

(3) determine whether the work activities in the employment plan are appropriate based on the criteria in section 256J.521, subdivision 2 or 3;

(4) determine whether the participant qualifies for the family violence waiver;

(5) inform the participant of the participant's sanction status and explain the consequences of continuing noncompliance;

(6) identify other resources that may be available to the participant to meet the needs of the family; and

(7) inform the participant of the right to appeal under section 256J.40.

If the lack of an identified activity or service can explain the noncompliance, the county must work with the participant to provide the identified activity.

The grant must be restored to the full amount for which the assistance unit is eligible retroactively to the first day of the month in which the participant was found to lack preemployment activities, a family violence waiver, or for a good cause exemption under section 256.741, subdivision 10, or 256J.57.

(h) For the purpose of applying sanctions under this subdivision, only occurrences of noncompliance that occur after July 1, 2008, are considered. If the participant is in 30 percent sanction in the month this section takes effect, that month counts as the first occurrence for purposes of applying the sanctions under this section, but the sanction must remain at 30 percent for that month.

(i) An assistance unit whose case is closed under paragraph (f) or (j), may reapply for MFIP and is eligible if the participant complies with MFIP program requirements and demonstrates compliance for up to one month. No assistance is paid during this period.

(j) An assistance unit whose case has been closed for noncompliance that reapplies under paragraph (i) is subject to sanction under paragraph (e) for a first occurrence of noncompliance. Any subsequent occurrence of noncompliance results in case closure under paragraph (f).

Sec. 37. Minnesota Statutes 2006, section 256J.46, is amended by adding a subdivision to read:

Subd. 4. **Simplified sanctions for refusal to cooperate with support requirements.** Beginning July 1, 2008, an MFIP caregiver who refuses to cooperate, as determined by the child support enforcement agency, with support requirements under section 256.741, is subject to sanction under this subdivision and subdivision 1. For a first occurrence of noncooperation, the assistance unit's grant must be reduced by 30 percent of the applicable MFIP standard of need. Subsequent occurrences of noncooperation must be subject to sanction under subdivision 3, paragraphs (e) and (f). The residual amount of the grant, if any, is paid to the caregiver. A sanction under this subdivision becomes effective the first month following the month in which a required notice is given. A sanction is not imposed when a caregiver comes into compliance with the requirements under section 256.741 prior to the effective date of the sanction. The sanction is removed in the month following the month that the caregiver cooperates with the support requirements. Each month that an MFIP caregiver fails to comply with the requirements of section 256.741 is considered a separate occurrence of noncompliance for the purpose of applying sanctions under subdivision 3, paragraphs (e) and (f).

Sec. 38. Minnesota Statutes 2006, section 256J.46, is amended by adding a subdivision to read:

Subd. 5. **Simplified dual sanctions.** (a) Beginning July 1, 2008, notwithstanding the provisions of subdivisions 3 and 4, for a participant subject to a sanction for refusal to comply with child support requirements under subdivision 4 and subject to a concurrent sanction for refusal to cooperate with other program requirements under subdivision 3, sanctions must be imposed in the manner prescribed in this subdivision. Any vendor payment of shelter costs or utilities under this subdivision must remain in effect for six months after the month in which the participant is no longer subject to sanction under subdivision 3.

(b) If the participant was subject to sanction for:

(1) noncompliance under subdivision 3 before being subject to sanction for noncooperation under subdivision 4;  
or

(2) noncooperation under subdivision 4 before being subject to sanction for noncompliance under subdivision 3,

the participant is considered to have a second occurrence of noncompliance and is sanctioned as provided in subdivision 3, paragraph (e). Each subsequent occurrence of noncompliance is considered one additional occurrence and is subject to the applicable level of sanction under subdivision 3. The requirement that the county conduct a review as specified in subdivision 3, paragraph (f), remains in effect.

(c) A participant who first becomes subject to sanction under both subdivisions 3 and 4 in the same month is subject to sanction as follows:

(1) in the first month of noncompliance and noncooperation, the participant's grant must be reduced by 30 percent of the applicable MFIP standard of need, with any residual amount paid to the participant;

(2) in the second and subsequent months of noncompliance and noncooperation, the participant is subject to the applicable level of sanction under subdivision 3. The requirement that the county conduct a review as specified in subdivision 3, paragraph (f), remains in effect.

(d) A participant remains subject to sanction under subdivision 4 if the participant:

(1) returns to compliance and is no longer subject to sanction for noncompliance with section 256J.45 or sections 256J.515 to 256J.57; or

(2) has the sanction for noncompliance with section 256J.45 or sections 256J.515 to 256J.57 removed upon completion of the review under subdivision 3, paragraph (f).

(e) A participant remains subject to the applicable level of sanction under subdivision 3 if the participant cooperates and is no longer subject to sanction under subdivision 4."

Page 44, delete section 37 and insert:

"Sec. 37. Minnesota Statutes 2006, section 256J.49, subdivision 13, is amended to read:

Subd. 13. **Work activity.** "Work activity" means any activity in a participant's approved employment plan that leads to employment. For purposes of the MFIP program, this includes activities that meet the definition of work activity under the participation requirements of TANF. Work activity includes:

(1) unsubsidized employment, including work study and paid apprenticeships or internships;

(2) subsidized private sector or public sector employment, including grant diversion as specified in section 256J.69, on-the-job training as specified in section 256J.66, ~~the self-employment investment demonstration program (SEID) as specified in section 256J.65~~, paid work experience, and supported work when a wage subsidy is provided;

(3) unpaid work experience, including community service, volunteer work, the community service work experience program as specified in section ~~256J.67~~ 256J.675, unpaid apprenticeships or internships, and supported work when a wage subsidy is not provided;

(4) job search including job readiness assistance, job clubs, job placement, job-related counseling, and job retention services;

(5) job readiness education, including English as a second language (ESL) or functional work literacy classes as limited by the provisions of section 256J.531, subdivision 2, general educational development (GED) course work, high school completion, and adult basic education as limited by the provisions of section 256J.531, subdivision 1;

(6) job skills training directly related to employment, including education and training that can reasonably be expected to lead to employment, as limited by the provisions of section 256J.53;

(7) providing child care services to a participant who is working in a community service program;

(8) activities included in the employment plan that is developed under section 256J.521, subdivision 3; and

(9) preemployment activities including chemical and mental health assessments, treatment, and services; learning disabilities services; child protective services; family stabilization services; or other programs designed to enhance employability.

Sec. 38. Minnesota Statutes 2006, section 256J.50, subdivision 1, is amended to read:

Subdivision 1. **Employment and training services component of MFIP.** (a) Each county must develop and provide an employment and training services component which is designed to put participants on the most direct path to unsubsidized employment. Participation in these services is mandatory for all MFIP caregivers, ~~unless the caregiver is exempt under section 256J.56.~~

(b) Effective July 1, 2008, a county must provide employment and training services under sections 256J.515 to 256J.74 within ~~30~~ ten days after the caregiver is determined eligible for MFIP, or within ten days when the caregiver participated in the diversionary work program under section 256J.95 within the past 12 months."

Page 45, delete section 38

Page 46, delete section 39

Page 48, delete section 40

Page 48, delete section 41 and insert:

"Sec. 41. Minnesota Statutes 2006, section 256J.531, is amended to read:

#### **256J.531 BASIC EDUCATION; ENGLISH AS A SECOND LANGUAGE.**

Subdivision 1. **Approval of adult basic education.** With the exception of classes related to obtaining a general educational development credential (GED), a participant must have reading or mathematics proficiency below a ninth grade level in order for adult basic education classes to be an approved work activity. ~~The employment plan must also specify that the participant fulfill no more than one half of the participation requirements in section 256J.55, subdivision 1, through attending adult basic education or general educational development classes.~~

Subd. 2. **Approval of English as a second language.** In order for English as a second language (ESL) classes to be an approved work activity in an employment plan, a participant must be below a spoken language proficiency level of SPL6 or its equivalent, as measured by a nationally recognized test. In approving ESL as a work activity, the job counselor must give preference to enrollment in a functional work literacy program, if one is available, over a regular ESL program. A participant may not be approved for more than a combined total of 24 months of ESL classes while participating in the diversionary work program and the employment and training services component of MFIP. ~~The employment plan must also specify that the participant fulfill no more than one half of the participation requirements in section 256J.55, subdivision 1, through attending ESL classes. For participants enrolled in functional work literacy classes, no more than two thirds of the participation requirements in section 256J.55, subdivision 1, may be met through attending functional work literacy classes.~~

**EFFECTIVE DATE.** This section is effective October 1, 2007."

Page 49, delete section 42

Page 50, delete section 43 and insert:

"Sec. 43. Minnesota Statutes 2006, section 256J.626, subdivision 7, is amended to read:

Subd. 7. **Performance base funds.** (a) Beginning calendar year 2005, each county and tribe will be allocated 95 percent of their initial calendar year allocation. Counties and tribes will be allocated additional funds based on performance as follows:

~~(1) for calendar year 2005, a county or tribe that achieves a 30 percent rate or higher on the MFIP participation rate under section 256J.751, subdivision 2, clause (8), as averaged across the four quarterly measurements for the most recent year for which the measurements are available, will receive an additional allocation equal to 2.5 percent of its initial allocation; and~~

~~(2) for calendar year 2006, a county or tribe that achieves a 40 percent rate or a five percentage point improvement over the previous year's MFIP participation rate under section 256J.751, subdivision 2, clause (8), as averaged across the four quarterly measurements for the most recent year for which the measurements are available, will receive an additional allocation equal to 2.5 percent of its initial allocation; and~~

~~(3) for calendar year 2007, a county or tribe that achieves a 50 percent rate or a five percentage point improvement over the previous year's MFIP participation rate under section 256J.751, subdivision 2, clause (8), as averaged across the four quarterly measurements for the most recent year for which the measurements are available, will receive an additional allocation equal to 2.5 percent of its initial allocation; and~~

~~(4) (1) for calendar year 2008, a county or tribe that achieves a 50 percent MFIP work participation rate as specified in the Personal Responsibility and Work Responsibility Act, Public Law 104-193, applied to all MFIP cases except child-only cases, as averaged across the four quarterly measurements for the most recent year for which the measurements are available, must receive an additional allocation equal to 2.5 percent of its initial allocation;~~

~~(2) for calendar year 2008 2009 and yearly thereafter, a county or tribe that achieves a 50 percent MFIP TANF work participation rate under section 256J.751, subdivision 2, clause (8) (7), as averaged across the four quarterly measurements for the most recent year for which the measurements are available, will receive an additional allocation equal to 2.5 percent of its initial allocation; and~~

~~(5) (3) for calendar years 2005 and thereafter, a county or tribe that performs above the top of its annualized range of expected performance on the three-year self-support index under section 256J.751, subdivision 2, clause (7) (6), will receive an additional allocation equal to five percent of its initial allocation; or~~

~~(6) (4) for calendar years 2005 and thereafter, a county or tribe that performs within its range of expected performance on the annualized three-year self-support index under section 256J.751, subdivision 2, clause (7) (6), will receive an additional allocation equal to 2.5 percent of its initial allocation.~~

(b) Performance-based funds for a federally approved tribal TANF program in which the state and tribe have in place a contract under section 256.01, addressing consolidated funding, will be allocated as follows:

(1) for calendar year 2006 and yearly thereafter, a tribe that achieves the participation rate approved in its federal TANF plan using the average of four quarterly measurements for the most recent year for which the measurements are available, will receive an additional allocation equal to 2.5 percent of its initial allocation; and



(2) for calendar years 2006 and thereafter, a tribe that performs above the top of its annualized range of expected performance on the three-year self-support index under section 256J.751, subdivision 2, clause ~~(7)~~ (6), will receive an additional allocation equal to five percent of its initial allocation; or

(3) for calendar years 2006 and thereafter, a tribe that performs within its range of expected performance on the annualized three-year self-support index under section 256J.751, subdivision 2, clause ~~(7)~~ (6), will receive an additional allocation equal to 2.5 percent of its initial allocation.

(c) Funds remaining unallocated after the performance-based allocations in paragraph (a) are available to the commissioner for innovation projects under subdivision 5.

(d)(1) If available funds are insufficient to meet county and tribal allocations under paragraph (a), the commissioner may make available for allocation funds that are unobligated and available from the innovation projects through the end of the current biennium.

(2) If after the application of clause (1) funds remain insufficient to meet county and tribal allocations under paragraph (a), the commissioner must proportionally reduce the allocation of each county and tribe with respect to their maximum allocation available under paragraph (a).

Sec. 44. Minnesota Statutes 2006, section 256J.626, is amended by adding a subdivision to read:

Subd. 10. **Specialized employment.** Beginning July 1, 2007, the commissioner shall make funds available annually to counties and tribes to develop paid and unpaid work experience positions for MFIP participants with no recent work history. The commissioner shall develop a process for approving requests and allocating funding in consultation with the counties and tribes.

Sec. 45. **[256J.675] COMMUNITY SERVICE WORK EXPERIENCE.**

Subdivision 1. **Employment options.** Community service work experience positions developed under this section are limited to projects that serve a useful public service such as health care, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety, community service, services to aged or disabled citizens, and child care. To the extent possible, the prior training, skills, and experience of a participant must be considered in making appropriate work experience assignments.

Subd. 2. **Placing participants in community service work experience.** As a condition of placing a participant in a program under this section, the county agency shall ensure that:

(1) a participant is first given the opportunity for placement in suitable unsubsidized employment through participation in job search, or through participation in on-the-job training if such employment is available;

(2) after three months of participation in a community service work experience placement, and at the conclusion of each community service work experience assignment under this section, the participant's employment plan is revised as appropriate;

(3) the maximum number of hours any participant works under this section does not exceed the amount of the MFIP grant, cash and food support, divided by the federal or applicable state minimum wage, whichever is higher; and

(4) a participant does not continue in a community work experience placement for more than nine months unless the maximum number of hours worked is no greater than the amount of the MFIP grant, cash and food support, divided by the rate of pay for individuals employed in the same or similar occupations by the same employer at the same site. This limit does not apply if it would prevent a participant from counting toward the federal work participation rate.

**Sec. 46. [256J.678] INJURY PROTECTION FOR COMMUNITY SERVICE WORK EXPERIENCE PARTICIPANTS.**

Subdivision 1. **Authority.** The Department of Administration, in consultation with the Department of Human Services, shall contract with an approved insurance carrier to provide coverage for injuries or death resulting from a person's participation in paid and unpaid community work experience programs authorized by the commissioner for persons applying for or receiving DWP, MFIP, or food stamps, and participating in the Minnesota parent's fair share program and the community service program under section 518.551, subdivision 5a, in a county with an approved community investment program for obligors.

Subd. 2. **Claims.** Claims that are subject to this section must be reported to the insurance carrier in a format approved by the carrier by the department of the state, county agency, or tribal program responsible for supervising the work.

Subd. 3. **Exclusive procedure.** The procedure established by this section is exclusive of all other legal, equitable, and statutory remedies against the state, employees of the state, or the state's political subdivisions. The claimant is not entitled to seek damages from any other state, county, tribal, or reservation insurance policy or self-insurance program.

Subd. 4. **Requirements for worksites.** The department of the state, county agency, or tribal program responsible for supervising the work shall ensure that no participant is assigned to a worksite which is in violation of federal Occupational Safety and Health Administration and state Department of Labor and Industry safety standards or is under investigation to determine if those violations have occurred. All participants must be given the same safety information and training given to a paid employee performing similar work at that worksite."

Page 54, delete section 44

Page 55, delete section 45

Page 56, delete sections 46 and 47

Page 57, delete section 48

Page 58, delete section 49

Page 61, delete section 52

Page 62, after line 33, insert:

"Sec. 54. Minnesota Statutes 2006, section 256J.95, subdivision 15, is amended to read:

**Subd. 15. Limitations on certain work activities.** (a) Except as specified in paragraphs (b) to (d), employment activities listed in section 256J.49, subdivision 13, are allowable under the diversionary work program.

~~(b) Work activities under section 256J.49, subdivision 13, clause (5), shall be allowable only when in combination with approved work activities under section 256J.49, subdivision 13, clauses (1) to (4), and shall be limited to no more than one half of the hours required in the employment plan.~~

~~(e)~~ (b) In order for an English as a second language (ESL) ~~class or Functional Work Literacy~~ under section 256J.49, subdivision 13, clause (5), to be an approved work activity, a participant must:

(1) be below a spoken language proficiency level of SPL6 or its equivalent, as measured by a nationally recognized test; and

(2) not have been enrolled in ESL for more than 24 months while previously participating in MFIP or DWP. A participant who has been enrolled in ESL for 20 or more months may be approved for ESL until the participant has received 24 total months.

~~(d)~~ (c) Work activities under section 256J.49, subdivision 13, clause (6), shall be allowable only when the training or education program will be completed within the four-month DWP period. Training or education programs that will not be completed within the four-month DWP period shall not be approved."

Page 115, line 21, delete "sections" and insert "section" and delete everything after "256J.29" and insert "is repealed."

Page 115, delete line 22

Page 115, after line 24, insert:

"Sec. 99. **REPEALER.**

(a) Minnesota Statutes 2006, sections 256J.67; and 256J.68, are repealed.

(b) Minnesota Statutes 2006, sections 256J.425, subdivisions 6 and 7; and 256J.46, subdivisions 1, 2, and 2a, are repealed effective June 30, 2008.

(c) Minnesota Statutes 2006, section 256J.29, is repealed."

Page 185, after line 1, insert:

"Sec. 5. **[256.9773] FAMILY CARE GRANT.**

Subdivision 1. **Definitions.** The terms used in this section have the following meanings unless otherwise provided for by text.

(a) "Caregiver" means an individual who provides unpaid assistance on a daily basis equivalent to personal care assistant services under section 256B.0655, subdivision 2, to a service recipient in either the caregiver's home or the service recipient's home located in the state of Minnesota.

(b) "Service recipient" means an individual who:

(1) requires assistance with three or more activities of daily living;

(2) does not reside in a nursing facility; and

(3) meets one of the following criteria:

(i) is age 60 or older;

(ii) is at least age 19 but under age 60; or

(iii) is of any age and diagnosed with Alzheimer's disease or other dementia.

Subd. 2. **Grant application.** A caregiver may apply to the commissioner for a family care grant of up to \$1,000 each year. The grant must be used only for expenses related to care provided to a service recipient. Caregivers shall apply to grants in the form and manner specified by the commissioner. The number of grants awarded by the commissioner is subject to the limit of available appropriations."

Page 477, line 20, delete "amounts" and insert "amount"

Page 477, line 22, delete "(1)" and delete "\$4,269,000" and insert "\$27,269,000" and delete "and" and insert a period

Page 477, after line 25 insert:

"**TANF Transfer to Federal Child Care and Development Fund.** The following TANF fund amount is appropriated to the commissioner for the purposes of MFIP transition year child care under MFIP, Minnesota Statutes, section 119B.05:

(1) fiscal year 2008, \$5,643,000;

(2) fiscal year 2009, \$14,372,000;

(3) fiscal year 2010, \$17,616,000; and

(4) fiscal year 2011, \$17,320,000.

The commissioner shall authorize transfer of sufficient TANF funds to the federal Child Care and Development Fund to meet this appropriation and shall ensure that all transferred funds are expended according the federal Child Care and Development Fund regulations."

Page 507, after line 21, insert:

"Family care grants. \$23,000,000 is appropriated from the general fund to the commissioner for the fiscal biennium beginning July 1, 2007, for family care grants. The commissioner may use up to five percent of this appropriation for administration of the grants."

Renumber the sections in sequence and correct the internal references

Adjust fund totals accordingly

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Peppin et al amendment and the roll was called. There were 45 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Gottwalt	Kohls	Peppin	Sviggum
Anderson, B.	DeLaForest	Gunther	Lanning	Peterson, N.	Tingelstad
Anderson, S.	Demmer	Hackbarth	Magnus	Ruth	Urdahl
Beard	Dettmer	Hamilton	McFarlane	Seifert	Westrom
Berns	Emmer	Heidgerken	McNamara	Severson	Zellers
Brod	Erickson	Holberg	Nornes	Shimanski	
Buesgens	Finstad	Hoppe	Olson	Simpson	
Cornish	Garofalo	Howes	Paulsen	Smith	

Those who voted in the negative were:

Anzelc	Erhardt	Johnson	Mahoney	Pelowski	Thissen
Atkins	Faust	Juhnke	Mariani	Peterson, A.	Tillberry
Benson	Fritz	Kahn	Marquart	Peterson, S.	Tschumper
Bigham	Gardner	Kalin	Masin	Poppe	Wagenius
Bly	Greiling	Knuth	Moe	Rukavina	Walker
Brown	Hansen	Koenen	Morgan	Ruud	Ward
Brynaert	Hausman	Kranz	Morrow	Sailer	Welti
Bunn	Haws	Laine	Mullery	Scalze	Winkler
Clark	Hilstrom	Lenczewski	Murphy, E.	Sertich	Wollschlager
Davnie	Hilty	Lesch	Murphy, M.	Simon	Spk. Kelliher
Dill	Hornstein	Liebling	Nelson	Slawik	
Dittrich	Hortman	Lieder	Norton	Slocum	
Dominguez	Hosch	Lillie	Olin	Solberg	
Doty	Huntley	Loeffler	Otremba	Swails	
Eken	Jaros	Madore	Paymar	Thao	

The motion did not prevail and the amendment was not adopted.

Severson moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 428, after line 17, insert:

"Sec. 10. Minnesota Statutes 2006, section 144.2216, is amended to read:

**144.2216 BIRTH DEFECTS RECORDS AND REPORTS ~~REQUIRED~~ PERMITTED.**

Subdivision 1. **Hospitals and similar institutions.** With the informed consent of a parent or guardian, as provided in subdivision 4, a hospital, medical clinic, medical laboratory, or other institution for the hospitalization, clinical or laboratory diagnosis, or care of human beings shall provide the commissioner of health with access to information on each birth defect case in the manner and at the times that the commissioner designates.

Subd. 2. **Other information repositories.** With the informed consent of a parent or guardian, as provided in subdivision 4, other repositories of information on the diagnosis or care of infants may provide the commissioner with access to information on each case of birth defects in the manner and at the times that the commissioner designates.

Subd. 3. **Reporting without liability.** Furnishing information in good faith in compliance with this section does not subject the person, hospital, medical clinic, medical laboratory, data repository, or other institution furnishing the information to any action for damages or relief.

Subd. 4. **Opt out in.** A parent or legal guardian must be informed by the commissioner at the time of the initial data collection that they may consent to having their child's personal and medical data in request removal at any time of personal identifying information concerning a child from the birth defects information system using a written form prescribed by the commissioner. The commissioner shall advise parents or legal guardians of infants:

(1) that the information on birth defects may be retained by the Department of Health;

(2) the benefit of retaining birth defects records;

(3) that the child's data in the birth defects information system may be shared without their consent according to statute;

(4) that if they consent they may elect to have the birth defects information collected once, within one year of birth;

(5) that they may opt out of the birth defects information system at any time and ~~but to~~ require that all personally identifying information be destroyed immediately upon the commissioner receiving the information their request.

If the parents of an infant ~~object consent~~ in writing to the maintaining of birth defects information, the ~~objection or~~ election shall be recorded on a form that is signed by a parent or legal guardian and submitted to the commissioner of health; and

~~(4)~~ (6) that if the parent or legal guardian chooses ~~to opt out~~ not to consent, the commissioner will not be able to inform the parent or legal guardian of a child of information related to the prevention, treatment, or cause of a particular birth defect."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Severson amendment and the roll was called. There were 43 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Demmer	Hackbarth	Lanning	Peppin	Urdahl
Beard	Dettmer	Hamilton	Magnus	Ruth	Westrom
Berns	Emmer	Haws	McFarlane	Seifert	Zellers
Brod	Erickson	Heidgerken	Morrow	Severson	
Buesgens	Finstad	Holberg	Murphy, M.	Shimanski	
Cornish	Garofalo	Hoppe	Nornes	Simpson	
Dean	Gottwalt	Howes	Olson	Smith	
DeLaForest	Gunther	Kohls	Paulsen	Sviggum	

Those who voted in the negative were:

Abeler	Doty	Jaros	Madore	Pelowski	Thao
Anderson, S.	Eken	Johnson	Mahoney	Peterson, A.	Thissen
Anzelc	Erhardt	Juhnke	Mariani	Peterson, N.	Tillberry
Atkins	Faust	Kahn	Marquart	Peterson, S.	Tingelstad
Benson	Fritz	Kalin	Masin	Poppe	Tschumper
Bigham	Gardner	Knuth	McNamara	Rukavina	Wagenius
Bly	Greiling	Koenen	Moe	Ruud	Walker
Brown	Hansen	Kranz	Morgan	Sailer	Ward
Brynaert	Hausman	Laine	Mullery	Scalze	Welti
Bunn	Hilstrom	Lenczewski	Murphy, E.	Sertich	Winkler
Clark	Hilty	Lesch	Nelson	Simon	Wollschlager
Davnie	Hornstein	Liebling	Norton	Slawik	Spk. Kelliher
Dill	Hortman	Lieder	Olin	Slocum	
Dittrich	Hosch	Lillie	Otremba	Solberg	
Dominguez	Huntley	Loeffler	Paymar	Swails	

The motion did not prevail and the amendment was not adopted.

Emmer moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 512, line 16, delete "220,000" and insert "140,000"

Page 523, delete lines 4 to 9

A roll call was requested and properly seconded.

The question was taken on the Emmer amendment and the roll was called. There were 49 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Abeler	DeLaForest	Gottwalt	Lanning	Peppin	Tingelstad
Anderson, B.	Demmer	Gunther	Lenczewski	Ruth	Urdahl
Anderson, S.	Dettmer	Hackbarth	Magnus	Seifert	Westrom
Beard	Dittrich	Hamilton	McFarlane	Severson	Zellers
Berns	Eastlund	Heidgerken	McNamara	Shimanski	
Brod	Emmer	Holberg	Nornes	Simpson	
Buesgens	Erickson	Hoppe	Olson	Smith	
Cornish	Finstad	Howes	Paulsen	Sviggum	
Dean	Garofalo	Kohls	Pelowski	Swails	

Those who voted in the negative were:

Anzelc	Bunn	Erhardt	Haws	Jaros	Kranz
Atkins	Clark	Faust	Hilstrom	Johnson	Laine
Benson	Davnie	Fritz	Hilty	Juhnke	Lesch
Bigham	Dill	Gardner	Hornstein	Kahn	Liebling
Bly	Dominguez	Greiling	Hortman	Kalin	Lieder
Brown	Doty	Hansen	Hosch	Knuth	Lillie
Brynaert	Eken	Hausman	Huntley	Koenen	Loeffler

Madore	Morrow	Otremba	Ruud	Solberg	Ward
Mahoney	Mullery	Paymar	Sailer	Thao	Welti
Mariani	Murphy, E.	Peterson, A.	Scalze	Thissen	Winkler
Marquart	Murphy, M.	Peterson, N.	Sertich	Tillberry	Wollschlager
Masin	Nelson	Peterson, S.	Simon	Tschumper	Spk. Kelliher
Moe	Norton	Poppe	Slawik	Wagenius	
Morgan	Olin	Rukavina	Slocum	Walker	

The motion did not prevail and the amendment was not adopted.

Pursuant to rule 1.50, Sertich moved that the House be allowed to continue in session after 12:00 midnight. The motion prevailed.

Olson and Emmer moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 388, delete section 2

Page 393, delete section 3

Page 518, delete lines 30 to 35

Page 519, delete lines 1 to 6

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The Speaker called Hausman to the Chair.

Erickson moved to amend the Olson and Emmer amendment to S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 1, after line 4, insert:

"Page 478, delete "\$6,416,000" and insert "\$12,416,000"

Page 503, after line 12, insert:

**"Onetime ICF/MR Funding.** Of this appropriation, \$6,000,000 is for the commissioner of human services for the biennium beginning July 1, 2007, to provide onetime funding to intermediate care facilities for persons with mental retardation or related conditions for compensation-related costs, including but not limited to onetime employee bonuses. Funding provided to each facility shall be proportioned to the facility's number of licensed beds. This is a onetime appropriation and shall not become part of facility base funding for the biennium beginning July 1, 2009."



Page 1, after line 8, insert:

"Amend the fund totals accordingly"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 15 yeas and 117 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Eastlund	Finstad	Heidgerken	Seifert
Buesgens	Emmer	Hackbarth	Olson	Severson
Cornish	Erickson	Hamilton	Ruth	Shimanski

Those who voted in the negative were:

Abeler	Dill	Hornstein	Lillie	Otremba	Sviggum
Anderson, S.	Dittrich	Hortman	Loeffler	Paulsen	Swails
Anzelc	Dominguez	Hosch	Madore	Paymar	Thao
Atkins	Doty	Howes	Magnus	Pelowski	Thissen
Beard	Eken	Huntley	Mahoney	Peppin	Tillberry
Benson	Erhardt	Jaros	Mariani	Peterson, A.	Tingelstad
Berns	Faust	Johnson	Marquart	Peterson, N.	Tschumper
Bigham	Fritz	Juhnke	Masin	Peterson, S.	Urdahl
Bly	Gardner	Kahn	McFarlane	Poppe	Wagenius
Brod	Garofalo	Kalin	McNamara	Rukavina	Walker
Brown	Gottwalt	Knuth	Moe	Ruud	Ward
Brynaert	Greiling	Koenen	Morgan	Sailer	Walti
Bunn	Gunther	Kohls	Morrow	Scalze	Westrom
Carlson	Hansen	Kranz	Mullery	Sertich	Winkler
Clark	Hausman	Laine	Murphy, E.	Simon	Wollschlager
Davnie	Haws	Lanning	Murphy, M.	Simpson	Zellers
Dean	Hilstrom	Lenczewski	Nelson	Slawik	Spk. Kelliher
DeLaForest	Hilty	Lesch	Nornes	Slocum	
Demmer	Holberg	Liebling	Norton	Smith	
Dettmer	Hoppe	Lieder	Olin	Solberg	

The motion did not prevail and the amendment to the amendment was not adopted.

The question recurred on the Olson and Emmer amendment and the roll was called. There were 12 yeas and 119 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Cornish	Emmer	Hackbarth	Olson	Severson
Buesgens	Eastlund	Erickson	Heidgerken	Seifert	Shimanski

Those who voted in the negative were:

Abeler	Dill	Holberg	Liebling	Norton	Slocum
Anderson, S.	Dittrich	Hoppe	Lieder	Olin	Smith
Anzelc	Dominguez	Hornstein	Lillie	Otremba	Solberg
Atkins	Doty	Hortman	Loeffler	Paulsen	Sviggum
Beard	Eken	Hosch	Madore	Paymar	Swails
Benson	Erhardt	Howes	Magnus	Pelowski	Thao
Berns	Faust	Huntley	Mahoney	Peppin	Thissen
Bigham	Finstad	Jaros	Mariani	Peterson, A.	Tillberry
Bly	Fritz	Johnson	Marquart	Peterson, N.	Tingelstad
Brod	Gardner	Juhnke	Masin	Peterson, S.	Tschumper
Brown	Garofalo	Kahn	McFarlane	Poppe	Urdahl
Brynaert	Gottwalt	Kalin	McNamara	Rukavina	Walker
Bunn	Greiling	Knuth	Moe	Ruth	Ward
Carlson	Gunther	Koenen	Morgan	Ruud	Welti
Clark	Hamilton	Kohls	Morrow	Sailer	Westrom
Davnie	Hansen	Kranz	Mullery	Scalze	Winkler
Dean	Hausman	Laine	Murphy, E.	Sertich	Wollschlager
DeLaForest	Haws	Lanning	Murphy, M.	Simon	Zellers
Demmer	Hilstrom	Lenczewski	Nelson	Simpson	Spk. Kelliher
Dettmer	Hilty	Lesch	Nornes	Slawik	

The motion did not prevail and the amendment was not adopted.

Emmer moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 36, after line 32, insert:

"Sec. 31. Minnesota Statutes 2006, section 256J.15, is amended by adding a subdivision to read:

Subd. 3. **Drug testing.** (a) Beginning July 1, 2007, in order to be eligible for assistance under this chapter, applicants must pass a drug test at the time of application for assistance. Persons receiving assistance prior to July 1, 2007, must pass a drug test at the next time of recertification of eligibility under section 256J.32, subdivision 6, as a condition of continued eligibility and following any positive test for an illegal controlled substance are subject to the sanctions under section 256J.26, subdivision 1, paragraph (a), clauses (2) and (3).

(b) MFIP applicants and participants must pay for the cost of the drug test required under paragraph (a), either up front or through an offset of future assistance under this chapter."

Adjust amounts accordingly

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Emmer amendment and the roll was called. There were 41 yeas and 91 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dean	Finstad	Holberg	Olson	Simpson
Anderson, S.	DeLaForest	Garofalo	Hoppe	Paulsen	Smith
Beard	Demmer	Gottwalt	Howes	Peppin	Svigum
Berns	Dettmer	Gunther	Kohls	Ruth	Urdahl
Brod	Eastlund	Hackbarth	Magnus	Seifert	Westrom
Buesgens	Emmer	Hamilton	McNamara	Severson	Zellers
Cornish	Erickson	Heidgerken	Nornes	Shimanski	

Those who voted in the negative were:

Abeler	Eken	Johnson	Mahoney	Pelowski	Thissen
Anzelc	Erhardt	Juhnke	Mariani	Peterson, A.	Tillberry
Atkins	Faust	Kahn	Marquart	Peterson, N.	Tingelstad
Benson	Fritz	Kalin	Masin	Peterson, S.	Tschumper
Bigham	Gardner	Knuth	McFarlane	Poppe	Wagenius
Bly	Greiling	Koenen	Moe	Rukavina	Walker
Brown	Hansen	Kranz	Morgan	Ruud	Ward
Brynaert	Hausman	Laine	Morrow	Sailer	Walti
Bunn	Haws	Lanning	Mullery	Scalze	Winkler
Carlson	Hilstrom	Lenczewski	Murphy, E.	Sertich	Wollschlager
Clark	Hilty	Lesch	Murphy, M.	Simon	Spk. Kelliher
Davnie	Hornstein	Liebling	Nelson	Slawik	
Dill	Hortman	Lieder	Norton	Slocum	
Dittrich	Hosch	Lillie	Olin	Solberg	
Dominguez	Huntley	Loeffler	Otremba	Swails	
Doty	Jaros	Madore	Paymar	Thao	

The motion did not prevail and the amendment was not adopted.

Peppin moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 393, line 27, delete "requirement" and insert "use of exchange"

Page 393, line 28, delete "shall" and insert "may"

Page 393, line 31, delete everything after the period

Page 393, delete lines 32 to 34

Page 394, delete lines 1 to 2

Page 394, delete lines 5 to 8

Page 394, line 9, delete "Subd. 4." and insert "Subd. 3." and delete "are required to offer or"

Page 394, line 26, delete "Subd. 5." and insert "Subd. 4."

A roll call was requested and properly seconded.

The question was taken on the Peppin amendment and the roll was called. There were 40 yeas and 92 nays as follows:

Those who voted in the affirmative were:

Abeler	Demmer	Gottwalt	Lanning	Peppin	Sviggum
Anderson, B.	Dettmer	Gunther	Magnus	Ruth	Tingelstad
Anderson, S.	Eastlund	Hackbarth	McFarlane	Seifert	Urdahl
Brod	Emmer	Hamilton	McNamara	Severson	Westrom
Buesgens	Erickson	Heidgerken	Nornes	Shimanski	Zellers
Cornish	Finstad	Holberg	Olson	Simpson	
DeLaForest	Garofalo	Hoppe	Paulsen	Smith	

Those who voted in the negative were:

Anzelc	Dominguez	Howes	Lillie	Otremba	Swails
Atkins	Doty	Huntley	Loeffler	Paymar	Thao
Beard	Eken	Jaros	Madore	Pelowski	Thissen
Benson	Erhardt	Johnson	Mahoney	Peterson, A.	Tillberry
Berns	Faust	Juhnke	Mariani	Peterson, N.	Tschumper
Bigham	Fritz	Kahn	Marquart	Peterson, S.	Wagenius
Bly	Gardner	Kalin	Masin	Poppe	Walker
Brown	Greiling	Knuth	Moe	Rukavina	Ward
Brynaert	Hansen	Koenen	Morgan	Ruud	Welti
Bunn	Hausman	Kohls	Morrow	Sailer	Winkler
Carlson	Haws	Kranz	Mullery	Scalze	Wollschlager
Clark	Hilstrom	Laine	Murphy, E.	Sertich	Spk. Kelliher
Davnie	Hilty	Lenczewski	Murphy, M.	Simon	
Dean	Hornstein	Lesch	Nelson	Slawik	
Dill	Hortman	Liebling	Norton	Slocum	
Dittrich	Hosch	Lieder	Olin	Solberg	

The motion did not prevail and the amendment was not adopted.

Erickson moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 332, line 6, after the period, insert "A parent or guardian shall be notified before oral contraceptives are dispensed to their minor child."

A roll call was requested and properly seconded.

The question was taken on the Erickson amendment and the roll was called. There were 49 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Abeler	Beard	Buesgens	Dean	Dettmer	Erickson
Anderson, B.	Berns	Bunn	DeLaForest	Eastlund	Finstad
Anderson, S.	Brod	Cornish	Demmer	Emmer	Garofalo

Gottwalt	Hoppe	Magnus	Paulsen	Simpson	Zellers
Gunther	Hosch	McNamara	Peppin	Smith	
Hackbarth	Howes	Morgan	Ruth	Svigum	
Hamilton	Kohls	Murphy, M.	Seifert	Tingelstad	
Heidgerken	Lanning	Nornes	Severson	Urdahl	
Holberg	Lenczewski	Olson	Shimanski	Westrom	

Those who voted in the negative were:

Anzelc	Eken	Jaros	Madore	Paymar	Solberg
Atkins	Erhardt	Johnson	Mahoney	Pelowski	Swails
Benson	Faust	Juhnke	Mariani	Peterson, A.	Thao
Bigham	Fritz	Kahn	Marquart	Peterson, N.	Thissen
Bly	Gardner	Kalin	Masin	Peterson, S.	Tillberry
Brown	Greiling	Knuth	McFarlane	Poppe	Tschumper
Brynaert	Hansen	Koenen	Moe	Rukavina	Wagenius
Carlson	Hausman	Kranz	Morrow	Ruud	Walker
Clark	Haws	Laine	Mullery	Sailer	Ward
Davnie	Hilstrom	Lesch	Murphy, E.	Scalze	Welti
Dill	Hilty	Liebling	Nelson	Sertich	Winkler
Dittrich	Hornstein	Lieder	Norton	Simon	Wollschlager
Dominguez	Hortman	Lillie	Olin	Slawik	Spk. Kelliher
Doty	Huntley	Loeffler	Otremba	Slocum	

The motion did not prevail and the amendment was not adopted.

The Speaker resumed the Chair.

Gottwalt; Dean; Hamilton; Ruth; Magnus; Urdahl; Smith; Cornish; Dettmer; Hackbarth; Heidgerken; Kohls; Brod; Emmer; Buesgens; Shimanski; Gunther; Severson; Zellers; Garofalo; Erickson; Finstad; Eastlund; Nornes; Otremba; Anderson, B.; Demmer; Beard; Sviggum; Tingelstad; Seifert and Peppin moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 513, line 30, after the period, insert "Any organization that provides abortions or directly refers for abortion is ineligible to receive funds under the program authorized by section 145.925."

A roll call was requested and properly seconded.

The question was taken on the Gottwalt et al amendment and the roll was called. There were 60 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Abeler	Buesgens	Dill	Finstad	Hamilton	Howes
Anderson, B.	Cornish	Doty	Fritz	Haws	Juhnke
Anderson, S.	Dean	Eastlund	Garofalo	Heidgerken	Koenen
Beard	DeLaForest	Eken	Gottwalt	Holberg	Kohls
Berns	Demmer	Emmer	Gunther	Hoppe	Lanning
Brod	Dettmer	Erickson	Hackbarth	Hosch	Lenczewski

Magnus	Nornes	Paulsen	Ruth	Simpson	Urdahl
Marquart	Olin	Pelowski	Seifert	Smith	Ward
McNamara	Olson	Peppin	Severson	Sviggum	Westrom
Murphy, M.	Otremba	Peterson, N.	Shimanski	Tingelstad	Zellers

Those who voted in the negative were:

Anzelc	Dominguez	Jaros	Madore	Peterson, A.	Swails
Atkins	Erhardt	Johnson	Mahoney	Peterson, S.	Thao
Benson	Faust	Kahn	Mariani	Poppe	Thissen
Bigham	Gardner	Kalin	Masin	Rukavina	Tillberry
Bly	Greiling	Knuth	Moe	Ruud	Tschumper
Brown	Hansen	Kranz	Morgan	Sailer	Wagenius
Brynaert	Hausman	Laine	Morrow	Scalze	Walker
Bunn	Hilstrom	Lesch	Mullery	Sertich	Walti
Carlson	Hilty	Liebling	Murphy, E.	Simon	Winkler
Clark	Hornstein	Lieder	Nelson	Slawik	Wollschlager
Davnie	Hortman	Lillie	Norton	Slocum	Spk. Kelliher
Dittrich	Huntley	Loeffler	Paymar	Solberg	

The motion did not prevail and the amendment was not adopted.

Olson; Cornish; Anderson, B.; Severson; Erickson; Shimanski; Hackbarth and Emmer moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 285, line 14, after "written" insert "informed"

Page 285, line 15, after the period, insert The informed consent for social and emotional screening shall fully inform the parent or legal guardian of the child of all known and potential consequences of and alternatives for such psychological, mental health, or socioemotional screening, evaluation, examination, or testing and acknowledge and sign the following statement which may be revoked any time by the parent or legal guardian:

(1) I understand that my child has been referred to be screened for an emotional, behavioral, or mental disorder, a specific learning disability, or other health impairment, that may lead to psychological or psychiatric evaluation. The screening, testing, examination, evaluation may ultimately result in the diagnosis of a "mental disorder" or "syndrome" which is based on the observation and subjective interpretation of my child's behavior as reported by teachers, psychologists, psychiatrists, or others.

(2) I understand that, unlike most medical diagnostic methods, a diagnosis of mental disorder or syndrome, including, but not limited to, attention deficit hyperactivity disorder (ADHD), bipolar disorder, and depression, is not based on any medical test, such as a brain scan, chemical imbalance test, X-ray, biopsy, blood test, or urinalysis, that can scientifically detect a physical abnormality in an infant, child, adolescent, or adult.

(3) I understand that if my child is diagnosed or labeled with any mental disorder or syndrome, treatment may include prescriptions for psychotropic or psychiatric medications, such as antidepressants or stimulants, which may have side effects and uncertain effectiveness.

(4) Most antidepressants are not approved for children by the Food and Drug Administration, and all antidepressants and the ADHD drug Strattera contain warnings of suicide risk in children. The Food and Drug Administration has also issued warnings that stimulants often prescribed for children may cause suicidal and psychotic behavior or sudden death due to heart failure.

(5) I understand that I have the right to be informed of all the known side effects of any recommended drug, including the current information concerning the drug in the Physicians' Desk Reference.

(6) I understand that I may request full information on the short-term and long-term benefits and risks of a drug, any interactions the drug has with other medications, the length of time my child will need to take the drug, and all of the up-to-date accumulation of adverse reaction reports of the drug from the FDA. I understand that psychotropic or psychiatric drugs may be addictive and could cause dependency.

(7) I understand that physical problems such as poor nutrition, exposure to toxins, including lead poisoning, or allergies and other medical conditions can cause emotional, behavioral, or mental symptoms and that these causes may be detectable through medical examination, including, but not limited to, blood testing.

(8) I understand that there are alternatives to psychotropic or psychiatric drug treatment and that I should ask the evaluation personnel and my physician about such alternatives. I understand that it is my responsibility to make an informed decision on behalf of my child. I understand that I may withdraw my permission for psychiatric screening, evaluation, examination, testing, or treatment at any time.

(9) I acknowledge that I have read and understood the above information and, based on my understanding, I hereby:

(i) Give my full and informed consent for my child to undergo psychiatric, socioemotional, or mental health screening, evaluation, examination, or testing.

.....  
(Signature of Parent or Legal Guardian)

(ii) Do not give my consent for my child to undergo psychiatric, socioemotional, or mental health screening, evaluation, examination, or testing.

.....  
(Signature of Parent or Legal Guardian)"

The motion did not prevail and the amendment was not adopted.

#### ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1989:

Rukavina, Welti, Atkins, Brynaert and McFarlane.

#### FISCAL CALENDAR, Continued

Peppin; Zellers; Hackbarth; Dettmer; Severson; Urdahl; Hamilton; Heidgerken; Magnus; Ruth; Dean; Brod; Gunther; Nornes; Otremba; Kohls; Cornish; Anderson, B.; Buesgens; Emmer; Shimanski; Sviggum; Garofalo; Eastlund; Smith; Erickson; Finstad; Demmer; Beard; Tingelstad and Seifert moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 513, line 30, after the period, insert "Any organization or an affiliate of an organization that provides abortions, promotes abortions, or directly refers for abortion is ineligible to receive funds under this program."

A roll call was requested and properly seconded.

The question was taken on the Peppin et al amendment and the roll was called. There were 60 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Abeler	Demmer	Garofalo	Howes	Nornes	Severson
Anderson, B.	Dettmer	Gottwalt	Juhnke	Olin	Shimanski
Anderson, S.	Dill	Gunther	Koenen	Olson	Simpson
Beard	Doty	Hackbarth	Kohls	Otremba	Smith
Berns	Eastlund	Hamilton	Lanning	Paulsen	Sviglum
Brod	Eken	Haws	Lenczewski	Pelowski	Tingelstad
Buesgens	Emmer	Heidgerken	Magnus	Peppin	Urdahl
Cornish	Erickson	Holberg	Marquart	Peterson, N.	Ward
Dean	Finstad	Hoppe	McNamara	Ruth	Westrom
DeLaForest	Fritz	Hosch	Murphy, M.	Seifert	Zellers

Those who voted in the negative were:

Anzelc	Dominguez	Jaros	Madore	Peterson, A.	Swails
Atkins	Erhardt	Johnson	Mahoney	Peterson, S.	Thao
Benson	Faust	Kahn	Mariani	Poppe	Thissen
Bigham	Gardner	Kalin	Masin	Rukavina	Tillberry
Bly	Greiling	Knuth	Moe	Ruud	Tschumper
Brown	Hansen	Kranz	Morgan	Sailer	Wagenius
Brynaert	Hausman	Laine	Morrow	Scalze	Walker
Bunn	Hilstrom	Lesch	Mullery	Sertich	Welti
Carlson	Hilty	Liebling	Murphy, E.	Simon	Winkler
Clark	Hornstein	Lieder	Nelson	Slawik	Wollschlager
Davnie	Hortman	Lillie	Norton	Slocum	Spk. Kelliher
Dittrich	Huntley	Loeffler	Paymar	Solberg	

The motion did not prevail and the amendment was not adopted.

Erickson moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 63, after line 17, insert:

"Sec. 56. Minnesota Statutes 2006, section 259.29, subdivision 2, is amended to read:

Subd. 2. **Placement with relative ~~or~~, friend, or married couple.** The authorized child-placing agency shall consider placement, consistent with the child's best interests and in the following order, with (1) a relative or relatives of the child, ~~or~~ (2) an important friend with whom the child has resided or had significant contact, or (3) a married couple. In implementing this section, an authorized child-placing agency may disclose private or confidential data, as defined in section 13.02, to relatives of the child for the purpose of locating a suitable adoptive home. The agency shall disclose only data that is necessary to facilitate implementing the preference.



If the child's birth parent or parents explicitly request that placement with relatives or important friends not be considered, the authorized child-placing agency shall honor that request consistent with the best interests of the child.

If the child's birth parent or parents express a preference for placing the child in an adoptive home of the same or a similar religious background to that of the birth parent or parents, the agency shall place the child with a family that meets the birth parent's religious preference.

This subdivision does not affect the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1923, and the Minnesota Indian Family Preservation Act, sections 260.751 to 260.835."

A roll call was requested and properly seconded.

The question was taken on the Erickson amendment and the roll was called. There were 43 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dean	Garofalo	Lanning	Peterson, N.	Urdahl
Anderson, S.	DeLaForest	Gottwalt	Magnus	Ruth	Westrom
Beard	Demmer	Gunther	McFarlane	Seifert	Zellers
Berns	Dettmer	Hackbarth	McNamara	Severson	
Brod	Eastlund	Hamilton	Nornes	Shimanski	
Buesgens	Emmer	Heidgerken	Olson	Simpson	
Bunn	Erickson	Holberg	Paulsen	Smith	
Cornish	Finstad	Kohls	Peppin	Sviggum	

Those who voted in the negative were:

Anzelc	Erhardt	Huntley	Loeffler	Otremba	Swails
Atkins	Faust	Jaros	Madore	Paymar	Thao
Benson	Fritz	Johnson	Mahoney	Pelowski	Thissen
Bigham	Gardner	Juhnke	Mariani	Peterson, A.	Tillberry
Bly	Greiling	Kahn	Marquart	Peterson, S.	Tingelstad
Brown	Hansen	Kalin	Masin	Poppe	Tschumper
Brynaert	Hausman	Knuth	Moe	Rukavina	Wagenius
Carlson	Haws	Koenen	Morgan	Ruud	Walker
Clark	Hilstrom	Kranz	Morrow	Sailer	Ward
Davnie	Hilty	Laine	Mullery	Scalze	Welti
Dill	Hoppe	Lenczewski	Murphy, E.	Sertich	Winkler
Dittrich	Hornstein	Lesch	Murphy, M.	Simon	Wollschlager
Dominguez	Hortman	Liebling	Nelson	Slawik	Spk. Kelliher
Doty	Hosch	Lieder	Norton	Slocum	
Eken	Howes	Lillie	Olin	Solberg	

The motion did not prevail and the amendment was not adopted.

Severson moved to amend S. F. No. 2171, the third unofficial engrossment, as amended, as follows:

Page 512, delete lines 14 to 18 and insert:

"MN ENABL. Base level funding for the MN ENABL program under Minnesota Statutes, section 145.9255, is increased by \$30,000 each year of the biennium beginning July 1, 2007. This amount is transferred from the appropriation for the Minnesota birth defects information system under subdivision 4."

Adjust amounts accordingly

A roll call was requested and properly seconded.

The question was taken on the Severson amendment and the roll was called. There were 46 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dettmer	Gunther	Lenczewski	Peppin	Sviggum
Beard	Eastlund	Hackbarth	Magnus	Peterson, N.	Swails
Berns	Emmer	Hamilton	McFarlane	Ruth	Tingelstad
Brod	Erickson	Heidgerken	McNamara	Seifert	Urdahl
Buesgens	Faust	Holberg	Nornes	Severson	Westrom
Cornish	Finstad	Hoppe	Olson	Shimanski	Zellers
Dean	Garofalo	Kohls	Paulsen	Simpson	
DeLaForest	Gottwalt	Kranz	Pelowski	Smith	

Those who voted in the negative were:

Abeler	Dittrich	Hosch	Lillie	Olin	Thao
Anderson, S.	Dominguez	Howes	Loeffler	Otremba	Thissen
Anzelc	Doty	Huntley	Madore	Paymar	Tillberry
Atkins	Eken	Jaros	Mahoney	Peterson, A.	Tschumper
Benson	Erhardt	Johnson	Mariani	Peterson, S.	Wagenius
Bigham	Fritz	Juhnke	Marquart	Poppe	Walker
Bly	Gardner	Kahn	Masin	Rukavina	Ward
Brown	Greiling	Kalin	Moe	Ruud	Welti
Brynaert	Hansen	Knuth	Morgan	Sailer	Winkler
Bunn	Hausman	Koenen	Morrow	Scalze	Wollschlager
Carlson	Haws	Laine	Mullery	Sertich	Spk. Kelliher
Clark	Hilstrom	Lanning	Murphy, E.	Simon	
Davnie	Hilty	Lesch	Murphy, M.	Slawik	
Demmer	Hornstein	Liebling	Nelson	Slocum	
Dill	Hortman	Lieder	Norton	Solberg	

The motion did not prevail and the amendment was not adopted.

S. F. No. 2171, A bill for an act relating to state government; making changes to health and human services programs; modifying health policy; changing licensing provisions; altering provisions for mental and chemical health; modifying child care provisions; amending children and family services provisions; changing continuing care provisions; amending MinnesotaCare; adjusting child care assistance eligibility; establishing family stabilization services; enacting federal compliance requirements; expanding medical assistance coverage; providing rate increases for certain providers; modifying fees; appropriating money for human services, health, veterans nursing homes

boards, the Emergency Medical Services Regulatory Board; health care boards, the Council on Disability, the ombudsman for mental health and developmental disabilities, and the ombudsman for families; requiring reports; amending Minnesota Statutes 2006, sections 13.381, by adding a subdivision; 16A.724, subdivision 2, by adding subdivisions; 47.58, subdivision 8; 62E.02, subdivision 7; 62J.07, subdivisions 1, 3; 62J.495; 62J.692, subdivisions 1, 4, 5, 8; 62J.82; 62L.02, subdivision 11; 62Q.165, subdivisions 1, 2; 62Q.80, subdivisions 3, 4, 13, 14, by adding a subdivision; 69.021, subdivision 11; 103I.101, subdivision 6; 103I.208, subdivisions 1, 2; 103I.235, subdivision 1; 119B.011, by adding a subdivision; 119B.035, subdivision 1; 119B.05, subdivision 1; 119B.09, subdivision 1; 119B.12, by adding a subdivision; 119B.13, subdivisions 1, 7; 144.123; 144.125, subdivisions 1, 2; 144.3345; 144D.03, subdivision 1; 148.5194, by adding a subdivision; 148.6445, subdivisions 1, 2; 148C.11, subdivision 1; 149A.52, subdivision 3; 149A.97, subdivision 7; 153A.14, subdivision 4a; 153A.17; 169A.70, subdivision 4; 245.465, by adding a subdivision; 245.4874; 245.771, by adding a subdivision; 245.98, subdivision 2; 245A.035; 245A.10, subdivision 2; 245A.16, subdivisions 1, 3; 245C.02, by adding a subdivision; 245C.04, subdivision 1; 245C.05, subdivisions 1, 4, 5, 7, by adding a subdivision; 245C.08, subdivisions 1, 2; 245C.10, by adding a subdivision; 245C.11, subdivisions 1, 2; 245C.12; 245C.16, subdivision 1; 245C.17, by adding a subdivision; 245C.21, by adding a subdivision; 245C.23, subdivision 2; 246.54, subdivisions 1, 2; 252.27, subdivision 2a; 252.32, subdivision 3; 253B.185, by adding a subdivision; 254B.02, subdivision 3; 256.01, subdivision 2b, by adding subdivisions; 256.482, subdivisions 1, 8; 256.969, subdivisions 3a, 9, 27, by adding a subdivision; 256.975, subdivision 7; 256B.04, subdivision 14, by adding a subdivision; 256B.056, subdivision 10; 256B.0621, subdivision 11; 256B.0622, subdivision 2; 256B.0623, subdivision 5; 256B.0625, subdivisions 17, 18a, 20, 30, by adding subdivisions; 256B.0631, subdivisions 1, 3; 256B.0655, subdivision 8; 256B.0911, subdivisions 1a, 3a, 3b, by adding a subdivision; 256B.0913, by adding a subdivision; 256B.0915, by adding a subdivision; 256B.0943, subdivision 8; 256B.0945, subdivision 4; 256B.095; 256B.0951, subdivision 1; 256B.15, by adding a subdivision; 256B.199; 256B.431, subdivisions 2e, 41; 256B.434, subdivision 4, by adding a subdivision; 256B.437, by adding a subdivision; 256B.441, subdivisions 1, 2, 5, 6, 10, 11, 13, 14, 17, 20, 24, 30, 31, 34, 38, by adding subdivisions; 256B.49, subdivisions 11, 16; 256B.5012, by adding a subdivision; 256B.69, subdivisions 2, 4, 5g, 5h; 256B.75; 256B.76; 256B.763; 256D.03, subdivisions 3, 4; 256I.04, subdivision 3; 256I.05, by adding subdivisions; 256J.01, by adding a subdivision; 256J.02, by adding a subdivision; 256J.021; 256J.08, subdivision 65; 256J.20, subdivision 3; 256J.32, subdivision 6; 256J.425, subdivisions 3, 4; 256J.49, subdivision 13; 256J.521, subdivisions 1, 2; 256J.53, subdivision 2; 256J.55, subdivision 1; 256J.626, subdivisions 1, 2, 3, 4, 5, 6; 256L.01, subdivisions 1, 4; 256L.03, subdivisions 1, 3, 5; 256L.035; 256L.04, subdivisions 1, 1a, 7, 10; 256L.05, subdivisions 1, 1b, 2, 3a; 256L.07, subdivisions 1, 2, 3, 6; 256L.09, subdivision 4; 256L.11, subdivision 7; 256L.12, subdivision 9a; 256L.15, subdivisions 1, 2, 4; 256L.17, subdivisions 2, 3, 7; 259.20, subdivision 2; 259.29, subdivision 1; 259.41; 259.53, subdivision 2; 259.57, subdivision 2; 259.67, subdivision 4; 260C.209; 260C.212, subdivision 2; 462A.05, by adding a subdivision; 518A.56, by adding a subdivision; 609.115, subdivisions 8, 9; Laws 2005, chapter 98, article 3, section 25; Laws 2005, First Special Session chapter 4, article 9, section 3, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 16C; 62J; 144; 145; 149A; 152; 156; 245; 245C; 252; 254A; 256; 256B; 256C; 256J; 256L; repealing Minnesota Statutes 2006, sections 62A.301; 62J.692, subdivision 10; 256B.0631, subdivision 4; 256B.441, subdivisions 12, 16, 21, 26, 28, 42, 45; 256J.24, subdivision 6; 256J.29; 256J.37, subdivisions 3a, 3b; 256J.626, subdivisions 7, 9; 256L.035; 256L.07, subdivision 2a; Laws 2004, chapter 288, article 6, section 27; Minnesota Rules, parts 4610.2800; 9585.0030.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 86 yeas and 45 nays as follows:

Those who voted in the affirmative were:

Abeler	Benson	Brown	Carlson	Dill	Doty
Anzelc	Bigham	Brynaert	Clark	Dittrich	Eken
Atkins	Bly	Bunn	Davnie	Dominguez	Faust

Fritz	Jaros	Lieder	Murphy, E.	Ruud	Tschumper
Gardner	Johnson	Lillie	Murphy, M.	Sailer	Wagenius
Greiling	Juhnke	Loeffler	Nelson	Scalze	Walker
Hansen	Kahn	Madore	Norton	Sertich	Ward
Hausman	Kalin	Mahoney	Olin	Simon	Welti
Haws	Knuth	Mariani	Otremba	Slawik	Winkler
Hilstrom	Koenen	Marquart	Paymar	Slocum	Wollschlager
Hilty	Kranz	Masin	Pelowski	Solberg	Spk. Kelliher
Hornstein	Laine	Moe	Peterson, A.	Swails	
Hortman	Lenczewski	Morgan	Peterson, S.	Thao	
Hosch	Lesch	Morrow	Poppe	Thissen	
Huntley	Liebling	Mullery	Rukavina	Tillberry	

Those who voted in the negative were:

Anderson, B.	DeLaForest	Garofalo	Kohls	Peppin	Svigum
Anderson, S.	Demmer	Gottwalt	Lanning	Peterson, N.	Tingelstad
Beard	Dettmer	Gunther	Magnus	Ruth	Urdahl
Berns	Eastlund	Hackbarth	McFarlane	Seifert	Westrom
Brod	Emmer	Hamilton	McNamara	Severson	Zellers
Buesgens	Erhardt	Holberg	Nornes	Shimanski	
Cornish	Erickson	Hoppe	Olson	Simpson	
Dean	Finstad	Howes	Paulsen	Smith	

The bill was passed, as amended, and its title agreed to.

There being no objection, the order of business reverted to Messages from the Senate.

### MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 6, A bill for an act relating to education; providing for early childhood, family, adult, and prekindergarten through grade 12 education including general education, education excellence, special programs, facilities and technology, nutrition and accounting, libraries, state agencies, forecast adjustments, technical and conforming amendments, pupil transportation standards, and early childhood and adult programs; providing for task force and advisory groups; requiring school districts to give employees who are veterans the option to take personal leave on Veteran's Day and encouraging private employers to give employees who are veterans a day off with pay on Veteran's Day; requiring reports; authorizing rulemaking; funding parenting time centers; funding lead hazard reduction; appropriating money; amending Minnesota Statutes 2006, sections 13.32, by adding a subdivision; 16A.152, subdivision 2; 119A.50, by adding a subdivision; 119A.52; 119A.535; 120A.22, subdivision 7; 120B.021, subdivision 1; 120B.023, subdivision 2; 120B.024; 120B.11, subdivision 5; 120B.132; 120B.15; 120B.30; 120B.31, subdivision 3; 120B.36, subdivision 1; 121A.17, subdivision 5; 121A.22, subdivisions 1, 3, 4; 122A.16; 122A.18, by adding a subdivision; 122A.20, subdivision 1; 122A.414, subdivisions 1, 2; 122A.415, subdivision 1; 122A.60,

subdivision 3; 122A.61, subdivision 1; 122A.628, subdivision 2; 122A.72, subdivision 5; 123A.73, subdivision 8; 123B.02, by adding a subdivision; 123B.10, subdivision 1, by adding a subdivision; 123B.143, subdivision 1; 123B.36, subdivision 1; 123B.37, subdivision 1; 123B.49, subdivision 4; 123B.53, subdivisions 1, 4, 5; 123B.54; 123B.57, subdivision 3; 123B.63, subdivision 3; 123B.77, subdivision 4; 123B.79, subdivisions 6, 8, by adding a subdivision; 123B.81, subdivisions 2, 4, 7; 123B.83, subdivision 2; 123B.88, subdivision 12; 123B.90, subdivision 2; 123B.92, subdivisions 1, 3, 5; 124D.095, subdivisions 2, 3, 4, 7; 124D.10, subdivisions 4, 8, 23a, 24; 124D.11, subdivision 1; 124D.111, subdivision 1; 124D.128, subdivisions 1, 2, 3; 124D.13, subdivisions 1, 2, 11, by adding a subdivision; 124D.135, subdivisions 1, 3, 5; 124D.16, subdivision 2; 124D.175; 124D.34, subdivision 7; 124D.4531; 124D.454, subdivisions 2, 3; 124D.531, subdivisions 1, 4; 124D.55; 124D.56, subdivisions 1, 2, 3; 124D.59, subdivision 2; 124D.65, subdivisions 5, 11; 124D.84, subdivision 1; 125A.11, subdivision 1; 125A.13; 125A.14; 125A.39; 125A.42; 125A.44; 125A.45; 125A.63, by adding a subdivision; 125A.75, subdivisions 1, 4; 125A.76, subdivisions 1, 2, 4, 5, by adding a subdivision; 125A.79, subdivisions 1, 5, 6, 8; 125B.15; 126C.01, subdivision 9, by adding subdivisions; 126C.05, subdivisions 1, 8, 15; 126C.10, subdivisions 1, 2, 2a, 2b, 4, 13a, 18, 24, 34, by adding a subdivision; 126C.126; 126C.13, subdivision 4; 126C.15, subdivision 2; 126C.17, subdivisions 6, 9; 126C.21, subdivisions 3, 5; 126C.41, by adding a subdivision; 126C.44; 126C.48, subdivisions 2, 7; 127A.441; 127A.47, subdivisions 7, 8; 127A.48, by adding a subdivision; 127A.49, subdivisions 2, 3; 128D.11, subdivision 3; 134.31, by adding a subdivision; 134.34, subdivision 4; 134.355, subdivision 9; 169.01, subdivision 6, by adding a subdivision; 169.443, by adding a subdivision; 169.447, subdivision 2; 169.4501, subdivisions 1, 2; 169.4502, subdivision 5; 169.4503, subdivisions 13, 20; 171.02, subdivisions 2, 2a; 171.321, subdivision 4; 205A.03, subdivision 1; 205A.05, subdivision 1; 205A.06, subdivision 1a; 272.029, by adding a subdivision; 273.11, subdivision 1a; 273.1393; 275.065, subdivisions 1, 1a, 3; 275.07, subdivision 2; 275.08, subdivision 1b; 276.04, subdivision 2; 517.08, subdivision 1c; Laws 2005, First Special Session chapter 5, article 1, sections 50, subdivision 2; 54, subdivisions 2, as amended, 4, 5, as amended, 6, as amended, 7, as amended, 8, as amended; article 2, sections 81, as amended; 84, subdivisions 2, as amended, 3, as amended, 4, as amended, 6, as amended, 10, as amended; article 3, section 18, subdivisions 2, as amended, 3, as amended, 4, as amended, 6, as amended; article 4, section 25, subdivisions 2, as amended, 3, as amended; article 5, section 17, subdivision 3, as amended; article 7, section 20, subdivisions 2, as amended, 3, as amended, 4, as amended; article 8, section 8, subdivisions 2, as amended, 5, as amended; article 9, section 4, subdivision 2; Laws 2006, chapter 263, article 3, section 15; Laws 2006, chapter 282, article 2, section 28, subdivision 4; article 3, section 4, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 119A; 121A; 122A; 123B; 124D; 135A; repealing Minnesota Statutes 2006, sections 120B.233; 121A.23; 123A.22, subdivision 11; 123B.81, subdivision 8; 124D.06; 124D.081, subdivisions 1, 2, 3, 4, 5, 6, 9; 124D.454, subdivisions 4, 5, 6, 7; 124D.531, subdivision 5; 124D.62; 125A.10; 125A.75, subdivision 6; 125A.76, subdivision 3; 169.4502, subdivision 15; 169.4503, subdivisions 17, 18, 26.

The Senate has appointed as such committee:

Senators Stumpf; Wiger; Saltzman; Rummel and Olson, G.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 1997, A bill for an act relating to government operations; appropriating money for the general legislative and administrative expenses of state government; raising fees; regulating state and local government operations; modifying provisions related to public employment; providing for automatic voter registration; abolishing the Department of Employee Relations; amending Minnesota Statutes 2006, sections 4.035, subdivision

3; 5.12, subdivision 1; 15.06, subdivisions 2, 8; 15B.17, subdivision 1; 16A.1286, subdivision 2; 16B.03; 16C.08, subdivision 2; 43A.02, by adding a subdivision; 43A.03, subdivision 3; 43A.08, subdivisions 1, 2a; 43A.24, subdivision 1; 43A.346, subdivision 1; 45.013; 84.01, subdivision 3; 116.03, subdivision 1; 116J.01, subdivision 5; 116J.035, subdivision 4; 174.02, subdivision 2; 201.12; 201.13, subdivision 3; 201.161; 241.01, subdivision 2; 270B.14, by adding a subdivision; 302A.821, subdivision 4; 321.0206; 336.1-110; 336.9-525; 471.61, subdivision 1a; 517.08, subdivisions 1b, 1c; Laws 2005, First Special Session chapter 1, article 4, section 121; proposing coding for new law in Minnesota Statutes, chapters 5; 13; 16B; 16C; repealing Minnesota Statutes 2006, sections 43A.03, subdivision 4; 43A.08, subdivision 1b; Laws 2006, chapter 253, section 22.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Betzold, Rest, Larson, Kubly and Olseen.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Kahn moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1997. The motion prevailed.

#### ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1997:

Kahn, Hilty, Winkler, Solberg and Urdahl.

#### CALENDAR FOR THE DAY

Sertich moved that the Calendar for the Day be continued. The motion prevailed.

#### MOTIONS AND RESOLUTIONS

Brod moved that the names of Shimanski; Anderson, B., and Erickson be added as authors on H. F. No. 2344. The motion prevailed.

Davnie moved that the name of Kohls be added as an author on H. F. No. 2441. The motion prevailed.

#### ADJOURNMENT

Sertich moved that when the House adjourns today it adjourn until 1:00 p.m., Monday, April 23, 2007. The motion prevailed.

Sertich moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Monday, April 23, 2007.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives