

STATE OF MINNESOTA

EIGHTY-SEVENTH SESSION — 2011

 THIRTY-THIRD DAY

SAINT PAUL, MINNESOTA, TUESDAY, MARCH 29, 2011

The House of Representatives convened at 10:30 a.m. and was called to order by Kurt Zellers, Speaker of the House.

Prayer was offered by Dr. Dwight LaPine, Calvary Baptist Church, Byron, 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	Davnie	Hamilton	Kriesel	Morrow	Scalze
Anderson, B.	Dean	Hancock	Lanning	Mullery	Schomacker
Anderson, D.	Dettmer	Hansen	Leidiger	Murphy, E.	Scott
Anderson, P.	Dill	Hausman	LeMieur	Murphy, M.	Shimanski
Anderson, S.	Dittrich	Hilstrom	Lenczewski	Murray	Simon
Anzelc	Doepke	Hilty	Lesch	Myhra	Slawik
Banaian	Downey	Holberg	Liebling	Nelson	Slocum
Barrett	Drazkowski	Hoppe	Lillie	Nornes	Smith
Beard	Eken	Hornstein	Loeffler	Norton	Stensrud
Benson, J.	Erickson	Hortman	Lohmer	O'Driscoll	Swedzinski
Benson, M.	Fabian	Hosch	Loon	Paymar	Thissen
Bills	Falk	Howes	Mahoney	Pelowski	Tillberry
Brynaert	Fritz	Johnson	Mariani	Peppin	Torkelson
Buesgens	Garofalo	Kahn	Marquart	Persell	Urdahl
Carlson	Gauthier	Kath	Mazorol	Petersen, B.	Vogel
Champion	Gottwalt	Kelly	McDonald	Peterson, S.	Wagenius
Clark	Greene	Kieffer	McElfrick	Poppe	Wardlow
Cornish	Greiling	Kiel	McFarlane	Quam	Westrom
Crawford	Gruenhagen	Kiffmeyer	McNamara	Rukavina	Winkler
Daudt	Gunther	Knuth	Melin	Runbeck	Woodard
Davids	Hackbarth	Koenen	Moran	Sanders	Spk. Zellers

A quorum was present.

Atkins, Laine, Murdock and Ward were excused.

Hayden was excused until 10:55 a.m. Franson was excused until 11:05 a.m. Mack was excused until 11:25 a.m. Huntley was excused until 4:20 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. There being no objection, further reading of the Journal was dispensed with and the Journal was approved as corrected by the Chief Clerk.

REPORTS OF CHIEF CLERK

S. F. No. 191 and H. F. No. 248, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Loeffler moved that S. F. No. 191 be substituted for H. F. No. 248 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Abeler from the Committee on Health and Human Services Finance to which was referred:

H. F. No. 927, A bill for an act relating to human services; requiring the commissioner of human services to seek a waiver from the federal government to reform the medical assistance program; setting guidelines for the reformed medical assistance program; providing for rulemaking authority; requiring reports; proposing coding for new law in Minnesota Statutes, chapter 256B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
CHILDREN AND FAMILY SERVICES

Section 1. Minnesota Statutes 2010, section 119B.011, subdivision 13, is amended to read:

Subd. 13. **Family.** "Family" means parents, stepparents, guardians and their spouses, or other eligible relative caregivers and their spouses, and their blood related dependent children and adoptive siblings under the age of 18 years living in the same home including children temporarily absent from the household in settings such as schools, foster care, and residential treatment facilities or parents, stepparents, guardians and their spouses, or other relative caregivers and their spouses temporarily absent from the household in settings such as schools, military service, or rehabilitation programs. An adult family member who is not in an authorized activity under this chapter may be temporarily absent for up to 60 days. When a minor parent or parents and his, her, or their child or children are living with other relatives, and the minor parent or parents apply for a child care subsidy, "family" means only the minor parent or parents and their child or children. An adult age 18 or older who meets this definition of family and is a full-time high school or postsecondary student may be considered a dependent member of the family unit if 50 percent or more of the adult's support is provided by the parents, stepparents, guardians, and their spouses or eligible relative caregivers and their spouses residing in the same household.

EFFECTIVE DATE. This section is effective April 16, 2012.

Sec. 2. Minnesota Statutes 2010, section 119B.035, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** A family in which a parent provides care for the family's infant child may receive a subsidy in lieu of assistance if the family is eligible for or is receiving assistance under the basic sliding fee program. An eligible family must meet the eligibility factors under section 119B.09, except as provided in subdivision 4, and the requirements of this section. Subject to federal match and maintenance of effort requirements for the child care and development fund, and up to available appropriations, the commissioner shall provide assistance under the at-home infant child care program and for administrative costs associated with the program. The commissioner shall set aside two percent of the basic sliding fee child care appropriation under section 119B.03, for purposes of this section. At the end of a fiscal year, the commissioner may carry forward any unspent funds under this section to the next fiscal year within the same biennium for assistance under the basic sliding fee program.

Sec. 3. Minnesota Statutes 2010, section 119B.035, subdivision 4, is amended to read:

Subd. 4. **Assistance.** (a) A family is limited to a lifetime total of 12 months of assistance under subdivision 2. The maximum rate of assistance is equal to ~~90~~ 64 percent of the rate established under section 119B.13 for care of infants in licensed family child care in the applicant's county of residence.

(b) A participating family must report income and other family changes as specified in the county's plan under section 119B.08, subdivision 3.

(c) Persons who are admitted to the at-home infant child care program retain their position in any basic sliding fee program. Persons leaving the at-home infant child care program reenter the basic sliding fee program at the position they would have occupied.

(d) Assistance under this section does not establish an employer-employee relationship between any member of the assisted family and the county or state.

Sec. 4. Minnesota Statutes 2010, section 119B.09, is amended by adding a subdivision to read:

Subd. 9a. **Child care centers; assistance.** (a) For the purposes of this subdivision, "qualifying child" means a child who satisfies both of the following:

(1) is not a child or dependent of an employee of the child care provider; and

(2) does not reside with an employee of the child care provider.

(b) Funds distributed under this chapter must not be paid for child care services that are provided for a child by a child care provider who employs either the parent of the child or a person who resides with the child, unless at all times at least 50 percent of the children for whom the child care provider is providing care are qualifying children under paragraph (a).

(c) If a child care provider satisfies the requirements for payment under paragraph (b), but the percentage of qualifying children under paragraph (a) for whom the provider is providing care falls below 50 percent, the provider shall have four weeks to raise the percentage of qualifying children for whom the provider is providing care to at least 50 percent before payments to the provider are discontinued for child care services provided for a child who is not a qualifying child.

EFFECTIVE DATE. This section is effective January 1, 2013.

Sec. 5. Minnesota Statutes 2010, section 119B.09, subdivision 10, is amended to read:

Subd. 10. **Payment of funds.** All federal, state, and local child care funds must be paid directly to the parent when a provider cares for children in the children's own home. In all other cases, all federal, state, and local child care funds must be paid directly to the child care provider, either licensed or legal nonlicensed, on behalf of the eligible family. Funds distributed under this chapter must not be used for child care services that are provided for a child by a child care provider who resides in the same household or occupies the same residence as the child.

EFFECTIVE DATE. This section is effective March 5, 2012.

Sec. 6. Minnesota Statutes 2010, section 119B.09, is amended by adding a subdivision to read:

Subd. 13. **Child care in the child's home.** Child care assistance must only be authorized in the child's home if the child's parents have authorized activities outside of the home and if one or more of the following circumstances are met:

(1) the parents' qualifying activity occurs during times when out-of-home care is not available. If child care is needed during any period when out-of-home care is not available, in-home care can be approved for the entire time care is needed;

(2) the family lives in an area where out-of-home care is not available; or

(3) a child has a verified illness or disability that would place the child or other children in an out-of-home facility at risk or creates a hardship for the child and the family to take the child out of the home to a child care home or center.

EFFECTIVE DATE. This section is effective March 5, 2012.

Sec. 7. Minnesota Statutes 2010, section 119B.13, subdivision 1, is amended to read:

Subdivision 1. **Subsidy restrictions.** (a) Beginning July 1, 2006, the maximum rate paid for child care assistance in any county or multicounty region under the child care fund shall be the rate for like-care arrangements in the county effective January 1, 2006, increased by six percent.

(b) Rate changes shall be implemented for services provided in September 2006 unless a participant eligibility redetermination or a new provider agreement is completed between July 1, 2006, and August 31, 2006.

As necessary, appropriate notice of adverse action must be made according to Minnesota Rules, part 3400.0185, subparts 3 and 4.

New cases approved on or after July 1, 2006, shall have the maximum rates under paragraph (a), implemented immediately.

(c) Every year, the commissioner shall survey rates charged by child care providers in Minnesota to determine the 75th percentile for like-care arrangements in counties. When the commissioner determines that, using the commissioner's established protocol, the number of providers responding to the survey is too small to determine the 75th percentile rate for like-care arrangements in a county or multicounty region, the commissioner may establish the 75th percentile maximum rate based on like-care arrangements in a county, region, or category that the commissioner deems to be similar.

(d) A rate which includes a special needs rate paid under subdivision 3 or under a school readiness service agreement paid under section 119B.231, may be in excess of the maximum rate allowed under this subdivision.

(e) The department shall monitor the effect of this paragraph on provider rates. The county shall pay the provider's full charges for every child in care up to the maximum established. The commissioner shall determine the maximum rate for each type of care on an hourly, full-day, and weekly basis, including special needs and disability care. The maximum payment to a provider for one day of care must not exceed the daily rate. The maximum payment to a provider for one week of care must not exceed the weekly rate.

(f) Child care providers receiving reimbursement under this chapter must not be paid activity fees or an additional amount above the maximum rates for care provided during nonstandard hours for families receiving assistance.

~~(f)~~ (g) When the provider charge is greater than the maximum provider rate allowed, the parent is responsible for payment of the difference in the rates in addition to any family co-payment fee.

~~(g)~~ (h) All maximum provider rates changes shall be implemented on the Monday following the effective date of the maximum provider rate.

EFFECTIVE DATE. This section is effective September 3, 2012, except the amendments to paragraph (e) are effective April 16, 2012.

Sec. 8. Minnesota Statutes 2010, section 119B.13, subdivision 1a, is amended to read:

Subd. 1a. **Legal nonlicensed family child care provider rates.** (a) Legal nonlicensed family child care providers receiving reimbursement under this chapter must be paid on an hourly basis for care provided to families receiving assistance.

(b) The maximum rate paid to legal nonlicensed family child care providers must be ~~80~~ 64 percent of the county maximum hourly rate for licensed family child care providers. In counties where the maximum hourly rate for licensed family child care providers is higher than the maximum weekly rate for those providers divided by 50, the maximum hourly rate that may be paid to legal nonlicensed family child care providers is the rate equal to the maximum weekly rate for licensed family child care providers divided by 50 and then multiplied by ~~0.80~~ 0.64. The maximum payment to a provider for one day of care must not exceed the maximum hourly rate times ten. The maximum payment to a provider for one week of care must not exceed the maximum hourly rate times 50.

(c) A rate which includes a special needs rate paid under subdivision 3 may be in excess of the maximum rate allowed under this subdivision.

(d) Legal nonlicensed family child care providers receiving reimbursement under this chapter may not be paid registration fees for families receiving assistance.

EFFECTIVE DATE. This section is effective April 16, 2012, except the amendment changing 80 to 64 and 0.80 to 0.64 is effective July 1, 2011.

Sec. 9. Minnesota Statutes 2010, section 119B.13, subdivision 7, is amended to read:

Subd. 7. **Absent days.** (a) Licensed child care providers ~~may~~ and license-exempt centers must not be reimbursed for more than ~~25~~ ten full-day absent days per child, excluding holidays, in a fiscal year, ~~or for more than ten consecutive full day absent days, unless the child has a documented medical condition that causes more frequent absences. Absences due to a documented medical condition of a parent or sibling who lives in the same residence as the child receiving child care assistance do not count against the 25 day absent day limit in a fiscal year. Documentation of medical conditions must be on the forms and submitted according to the timelines established by the commissioner. A public health nurse or school nurse may verify the illness in lieu of a medical practitioner. If a provider sends a child home early due to a medical reason, including, but not limited to, fever or contagious illness, the child care center director or lead teacher may verify the illness in lieu of a medical practitioner.~~ Legal nonlicensed family child care providers must not be reimbursed for absent days. If a child attends for part of the time authorized to be in care in a day, but is absent for part of the time authorized to be in care in that same day, the absent time will must be reimbursed but the time will must not count toward the ten consecutive or 25 cumulative absent day limits limit. ~~Children in families where at least one parent is under the age of 21, does not have a high~~

~~school or general equivalency diploma, and is a student in a school district or another similar program that provides or arranges for child care, as well as parenting, social services, career and employment supports, and academic support to achieve high school graduation, may be exempt from the absent day limits upon request of the program and approval of the county. If a child attends part of an authorized day, payment to the provider must be for the full amount of care authorized for that day. Child care providers may must only be reimbursed for absent days if the provider has a written policy for child absences and charges all other families in care for similar absences.~~

(b) Child care providers must be reimbursed for up to ten federal or state holidays or designated holidays per year when the provider charges all families for these days and the holiday or designated holiday falls on a day when the child is authorized to be in attendance. Parents may substitute other cultural or religious holidays for the ten recognized state and federal holidays. Holidays do not count toward the ten ~~consecutive or 25 cumulative~~ absent day ~~limits~~ limit.

(c) A family or child care provider ~~may~~ must not be assessed an overpayment for an absent day payment unless (1) there was an error in the amount of care authorized for the family, (2) all of the allowed full-day absent payments for the child have been paid, or (3) the family or provider did not timely report a change as required under law.

~~(d) The provider and family must receive notification of the number of absent days used upon initial provider authorization for a family and when the family has used 15 cumulative absent days. Upon statewide implementation of the Minnesota Electronic Child Care System, the provider and family shall receive notification of the number of absent days used upon initial provider authorization for a family and ongoing notification of the number of absent days used as of the date of the notification.~~

~~(e) A county may pay for more absent days than the statewide absent day policy established under this subdivision if current market practice in the county justifies payment for those additional days. County policies for payment of absent days in excess of the statewide absent day policy and justification for these county policies must be included in the county's child care fund plan under section 119B.08, subdivision 3.~~

EFFECTIVE DATE. This section is effective January 1, 2013.

Sec. 10. **[119B.135] QUALITY RATING AND IMPROVEMENT SYSTEM IMPLEMENTATION.**

Subdivision 1. **Implementation of a quality rating and improvement system.** (a) The commissioner of human services shall phase in the implementation of a voluntary quality rating and improvement system for child care centers. The system must build on the quality rating and improvement system in use in fiscal year 2011. The program must be designed to ensure that Minnesota's children have access to high-quality services in child care centers so that children entering kindergarten are ready for kindergarten by 2020, as stated in section 124D.142.

(b) The quality rating and improvement system must:

(1) set research-based program standards and quality indicators designed to improve the educational outcomes of children so that they are ready for school;

(2) assess program quality using the program standards and indicators and issue quality ratings to participating child care centers;

(3) establish a database to collect, store, analyze, and report data for quality ratings and to track improvement supports and incentives to programs. The database must incorporate data from or be linked to related databases, such as those maintained by the child care resource and referral system;

(4) provide rating information to consumers to facilitate informed choices of child care centers;

(5) provide information to child care centers to enable them to measure the results of their quality improvement efforts; and

(6) provide supports to participating programs to help them improve their quality rating.

(c) A program that is accredited or has otherwise been evaluated may submit information to the commissioner of human services in the form and manner prescribed by the commissioner and may be rated on the basis of that information.

(d) A program that has previously been rated under this section or has been rated through the Parent Aware pilot program may continue with that rating for two years.

Subd. 2. **Phase-in of quality rating and improvement system.** The commissioner must continue the quality rating and improvement system in use in fiscal year 2011 in the original pilot areas and must expand the system to at least two new, rural geographic locations by June 30, 2012. The commissioner must use a competitive process to select the new pilot areas by targeting areas that meet one or more of the following criteria: existence of a local early care and education collaborative, existence of local matching funds, and demonstration of local support from community-based early learning and care programs. The commissioner must add one new pilot area per year and work toward statewide availability of ratings by 2015.

Sec. 11. **[256.987] ELECTRONIC BENEFIT TRANSFER CARD.**

Subdivision 1. **Electronic benefit transfer (EBT) card.** Beginning July 1, 2011, cash benefits for the general assistance and Minnesota supplemental aid programs under chapter 256D and programs under chapter 256J must be issued on a separate EBT card with the name of the head of household printed on the card. This card must be issued within 30 calendar days of an eligibility determination. During the initial 30 calendar days of eligibility, a recipient may have cash benefits issued on an EBT card without a name printed on the card. This card may be the same card on which food support benefits are issued and does not need to meet the requirements of this section.

Subd. 2. **EBT card use restricted to Minnesota vendors.** EBT cardholders receiving cash benefits under the general assistance and Minnesota supplemental aid programs under chapter 256D or programs under chapter 256J are prohibited from using their EBT cards at vendors located outside of Minnesota. This subdivision does not apply to food support benefits.

Sec. 12. Minnesota Statutes 2010, section 256D.05, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** (a) Each assistance unit with income and resources less than the standard of assistance established by the commissioner and with a member who is a resident of the state shall be eligible for and entitled to general assistance if the assistance unit is:

(1) a person who is suffering from a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than ~~30~~ 90 days and which prevents the person from obtaining or retaining employment;

~~(2) a person whose presence in the home on a substantially continuous basis is required because of the professionally certified illness, injury, incapacity, or the age of another member of the household;~~

~~(3)~~ (2) a person who has been placed in, and is residing in, a licensed or certified facility for purposes of physical or mental health or rehabilitation, or in an approved chemical dependency domiciliary facility, if the placement is based on illness or incapacity and is according to a plan developed or approved by the county agency through its director or designated representative;

~~(4)~~ (3) a person who resides in a shelter facility described in subdivision 3;

~~(5)~~ (4) a person not described in clause (1) or ~~(3)~~ (2) who is diagnosed by a licensed physician, psychological practitioner, or other qualified professional, as developmentally disabled or mentally ill, and that condition prevents the person from obtaining or retaining employment;

~~(6)~~ a person who has an application pending for, or is appealing termination of benefits from, the Social Security disability program or the program of supplemental security income for the aged, blind, and disabled, provided the person has a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 30 days and which prevents the person from obtaining or retaining employment;

~~(7)~~ a person who is unable to obtain or retain employment because advanced age significantly affects the person's ability to seek or engage in substantial work;

~~(8)~~ (5) a person who has been assessed by a vocational specialist and, in consultation with the county agency, has been determined to be unemployable for purposes of this clause; a person is considered employable if there exist positions of employment in the local labor market, regardless of the current availability of openings for those positions, that the person is capable of performing. The person's eligibility under this category must be reassessed at least annually. The county agency must provide notice to the person not later than 30 days before annual eligibility under this item ends, informing the person of the date annual eligibility will end and the need for vocational assessment if the person wishes to continue eligibility under this clause. For purposes of establishing eligibility under this clause, it is the applicant's or recipient's duty to obtain any needed vocational assessment;

~~(9)~~ (6) a person who is determined by the county agency, according to permanent rules adopted by the commissioner, to ~~be learning disabled~~ have a condition that qualifies under Minnesota's special education rules as a specific learning disability, provided that if a rehabilitation plan for the person is developed or approved by the county agency, the person is following the plan;

~~(10)~~ a child under the age of 18 who is not living with a parent, stepparent, or legal custodian, and only if: ~~the child is legally emancipated or living with an adult with the consent of an agency acting as a legal custodian; the child is at least 16 years of age and the general assistance grant is approved by the director of the county agency or a designated representative as a component of a social services case plan for the child; or the child is living with an adult with the consent of the child's legal custodian and the county agency. For purposes of this clause, "legally emancipated" means a person under the age of 18 years who: (i) has been married; (ii) is on active duty in the uniformed services of the United States; (iii) has been emancipated by a court of competent jurisdiction; or (iv) is otherwise considered emancipated under Minnesota law, and for whom county social services has not determined that a social services case plan is necessary, for reasons other than the child has failed or refuses to cooperate with the county agency in developing the plan;~~

~~(11)~~ (7) a person who is eligible for displaced homemaker services, programs, or assistance under section 116L.96, but only if that person is enrolled as a full-time student;

~~(12)~~ a person who lives more than four hours round-trip traveling time from any potential suitable employment;

~~(13)~~ (8) a person who is involved with protective or court-ordered services that prevent the applicant or recipient from working at least four hours per day; or

~~(14)~~ a person over age 18 whose primary language is not English and who is attending high school at least half time; or

~~(15) (9)~~ a person whose alcohol and drug addiction is a material factor that contributes to the person's disability; applicants who assert this clause as a basis for eligibility must be assessed by the county agency to determine if they are amenable to treatment; ~~if the applicant is determined to be not amenable to treatment, but is otherwise eligible for benefits, then general assistance must be paid in vendor form, for the individual's shelter costs up to the limit of the grant amount, with the residual, if any, paid according to section 256D.09, subdivision 2a;~~ if the applicant is determined to be amenable to treatment, then in order to receive benefits, the applicant must be in a treatment program or on a waiting list and the benefits must be paid in vendor form, for the individual's shelter costs, up to the limit of the grant amount, with the residual, if any, paid according to section 256D.09, subdivision 2a.

(b) As a condition of eligibility under paragraph (a), clauses (1), ~~(3) (2)~~, ~~(5) (4)~~, ~~(8) (5)~~, and ~~(9) (6)~~, the recipient must complete an interim assistance agreement and must apply for other maintenance benefits as specified in section 256D.06, subdivision 5, and must comply with efforts to determine the recipient's eligibility for those other maintenance benefits.

(c) As a condition of eligibility under this section, the recipient must complete at least 20 hours per month of volunteer or paid work. The county of residence shall determine what may be included as volunteer work. Recipients must provide monthly proof of volunteer work on the forms established by the county. A person who is unable to obtain or retain 20 hours per month of volunteer or paid work due to a professionally certified illness, injury, disability, or incapacity must not be made ineligible for general assistance under this section.

~~(e)~~ (d) The burden of providing documentation for a county agency to use to verify eligibility for general assistance or for exemption from the food stamp employment and training program is upon the applicant or recipient. The county agency shall use documents already in its possession to verify eligibility, and shall help the applicant or recipient obtain other existing verification necessary to determine eligibility which the applicant or recipient does not have and is unable to obtain.

Sec. 13. Minnesota Statutes 2010, section 256D.06, subdivision 1, is amended to read:

Subdivision 1. **Eligibility; amount of assistance.** General assistance shall be granted in an amount that when added to the nonexempt income actually available to the assistance unit, the total amount equals the applicable standard of assistance for general assistance. In determining eligibility for and the amount of assistance for an individual or married couple, the county agency shall disregard the first ~~\$50~~ \$150 of earned income per month.

Sec. 14. Minnesota Statutes 2010, section 256D.06, subdivision 1b, is amended to read:

Subd. 1b. **Earned income savings account.** In addition to the ~~\$50~~ \$150 disregard required under subdivision 1, the county agency shall disregard an additional earned income up to a maximum of ~~\$150~~ \$500 per month for: (1) persons residing in facilities licensed under Minnesota Rules, parts 9520.0500 to 9520.0690 and 9530.2500 to 9530.4000, and for whom discharge and work are part of a treatment plan; (2) persons living in supervised apartments with services funded under Minnesota Rules, parts 9535.0100 to 9535.1600, and for whom discharge and work are part of a treatment plan; and (3) persons residing in group residential housing, as that term is defined in section 256I.03, subdivision 3, for whom the county agency has approved a discharge plan which includes work. The additional amount disregarded must be placed in a separate savings account by the eligible individual, to be used upon discharge from the residential facility into the community. For individuals residing in a chemical dependency program licensed under Minnesota Rules, part 9530.4100, subpart 22, item D, withdrawals from the savings account require the signature of the individual and for those individuals with an authorized representative payee, the signature of the payee. A maximum of ~~\$1,000~~ \$2,000, including interest, of the money in the savings account must be excluded from the resource limits established by section 256D.08, subdivision 1, clause (1). Amounts in that account in excess of ~~\$1,000~~ \$2,000 must be applied to the resident's cost of care. If excluded money is removed from the savings account by the eligible individual at any time before the individual is discharged from the facility into the community, the money is income to the individual in the month of receipt and a resource in

subsequent months. If an eligible individual moves from a community facility to an inpatient hospital setting, the separate savings account is an excluded asset for up to 18 months. During that time, amounts that accumulate in excess of the ~~\$1,000~~ \$2,000 savings limit must be applied to the patient's cost of care. If the patient continues to be hospitalized at the conclusion of the 18-month period, the entire account must be applied to the patient's cost of care.

Sec. 15. Minnesota Statutes 2010, section 256D.44, subdivision 5, is amended to read:

Subd. 5. **Special needs.** In addition to the state standards of assistance established in subdivisions 1 to 4, payments are allowed for the following special needs of recipients of Minnesota supplemental aid who are not residents of a nursing home, a regional treatment center, or a group residential housing facility.

(a) The county agency shall pay a monthly allowance for medically prescribed diets if the cost of those additional dietary needs cannot be met through some other maintenance benefit. The need for special diets or dietary items must be prescribed by a licensed physician. Costs for special diets shall be determined as percentages of the allotment for a one-person household under the thrifty food plan as defined by the United States Department of Agriculture. The types of diets and the percentages of the thrifty food plan that are covered are as follows:

- (1) high protein diet, at least 80 grams daily, 25 percent of thrifty food plan;
- (2) controlled protein diet, 40 to 60 grams and requires special products, 100 percent of thrifty food plan;
- (3) controlled protein diet, less than 40 grams and requires special products, 125 percent of thrifty food plan;
- (4) low cholesterol diet, 25 percent of thrifty food plan;
- (5) high residue diet, 20 percent of thrifty food plan;
- (6) pregnancy and lactation diet, 35 percent of thrifty food plan;
- (7) gluten-free diet, 25 percent of thrifty food plan;
- (8) lactose-free diet, 25 percent of thrifty food plan;
- (9) antidumping diet, 15 percent of thrifty food plan;
- (10) hypoglycemic diet, 15 percent of thrifty food plan; or
- (11) ketogenic diet, 25 percent of thrifty food plan.

(b) Payment for nonrecurring special needs must be allowed for necessary home repairs or necessary repairs or replacement of household furniture and appliances using the payment standard of the AFDC program in effect on July 16, 1996, for these expenses, as long as other funding sources are not available.

(c) A fee for guardian or conservator service is allowed at a reasonable rate negotiated by the county or approved by the court. This rate shall not exceed five percent of the assistance unit's gross monthly income up to a maximum of \$100 per month. If the guardian or conservator is a member of the county agency staff, no fee is allowed.

(d) The county agency shall continue to pay a monthly allowance of \$68 for restaurant meals for a person who was receiving a restaurant meal allowance on June 1, 1990, and who eats two or more meals in a restaurant daily. The allowance must continue until the person has not received Minnesota supplemental aid for one full calendar month or until the person's living arrangement changes and the person no longer meets the criteria for the restaurant meal allowance, whichever occurs first.

(e) A fee of ten percent of the recipient's gross income or \$25, whichever is less, is allowed for representative payee services provided by an agency that meets the requirements under SSI regulations to charge a fee for representative payee services. This special need is available to all recipients of Minnesota supplemental aid regardless of their living arrangement.

(f)(1) Notwithstanding the language in this subdivision, an amount equal to the maximum allotment authorized by the federal Food Stamp Program for a single individual which is in effect on the first day of July of each year will be added to the standards of assistance established in subdivisions 1 to 4 for adults under the age of 65 who qualify as shelter needy and are: (i) relocating from an institution, or an adult mental health residential treatment program under section 256B.0622; (ii) eligible for the self-directed supports option as defined under section 256B.0657, subdivision 2; or (iii) home and community-based waiver recipients living in their own home or rented or leased apartment which is not owned, operated, or controlled by a provider of service not related by blood or marriage, unless allowed under paragraph (g).

(2) Notwithstanding subdivision 3, paragraph (c), an individual eligible for the shelter needy benefit under this paragraph is considered a household of one. An eligible individual who receives this benefit prior to age 65 may continue to receive the benefit after the age of 65.

(3) "Shelter needy" means that the assistance unit incurs monthly shelter costs that exceed 40 percent of the assistance unit's gross income before the application of this special needs standard. "Gross income" for the purposes of this section is the applicant's or recipient's prior month's income as defined in section 256D.35, subdivision 10, or the standard specified in subdivision 3, paragraph (a) or (b), whichever is greater. A recipient of a federal or state housing subsidy, that limits shelter costs to a percentage of gross income, shall not be considered shelter needy for purposes of this paragraph.

(g) Notwithstanding this subdivision, to access housing and services as provided in paragraph (f), the recipient may choose housing that may be owned, operated, or controlled by the recipient's service provider. In a multifamily building of more than four ~~or more~~ units, the maximum number of apartments at one address that may be used by recipients of this program shall be 50 percent of the units in a building. This paragraph expires on June 30, ~~2012~~ 2014.

Sec. 16. **[256D.461] EMERGENCY AID.**

Applicants for or recipients of Supplemental Security Income or Minnesota supplemental aid who have emergent need may apply for emergency general assistance under section 256D.06, subdivision 2.

Sec. 17. Minnesota Statutes 2010, section 256I.04, subdivision 2b, is amended to read:

Subd. 2b. **Group residential housing agreements.** (a) Agreements between county agencies and providers of group residential housing must be in writing and must specify the name and address under which the establishment subject to the agreement does business and under which the establishment, or service provider, if different from the group residential housing establishment, is licensed by the Department of Health or the Department of Human Services; the specific license or registration from the Department of Health or the Department of Human Services held by the provider and the number of beds subject to that license; the address of the location or locations at which group residential housing is provided under this agreement; the per diem and monthly rates that are to be paid from group residential housing funds for each eligible resident at each location; the number of beds at each location which are subject to the group residential housing agreement; whether the license holder is a not-for-profit corporation under section 501(c)(3) of the Internal Revenue Code; and a statement that the agreement is subject to the provisions of sections 256I.01 to 256I.06 and subject to any changes to those sections. Group residential housing agreements may be terminated with or without cause by either the county or the provider with two calendar months prior notice.

(b) Beginning July 1, 2011, counties must not enter into agreements with providers of group residential housing that do not include a residency requirement of at least 20 hours per week of volunteer or paid work. A person who is unable to obtain or retain 20 hours per month of volunteer or paid work due to a professionally certified illness, injury, disability, or incapacity must not be made ineligible for group residential housing under this section.

Sec. 18. Minnesota Statutes 2010, section 256I.05, subdivision 1a, is amended to read:

Subd. 1a. **Supplementary service rates.** (a) Subject to the provisions of section 256I.04, subdivision 3, the county agency may negotiate a payment not to exceed \$426.37 for other services necessary to provide room and board provided by the group residence if the residence is licensed by or registered by the Department of Health, or licensed by the Department of Human Services to provide services in addition to room and board, and can demonstrate a chemical dependency success rate of at least 30 percent for participants six months after completing the program, and if the provider of services is not also concurrently receiving funding for services for a recipient under a home and community-based waiver under title XIX of the Social Security Act; or funding from the medical assistance program under section 256B.0659, for personal care services for residents in the setting; or residing in a setting which receives funding under Minnesota Rules, parts 9535.2000 to 9535.3000. If funding is available for other necessary services through a home and community-based waiver, or personal care services under section 256B.0659, then the GRH rate is limited to the rate set in subdivision 1. The county agency is limited to negotiating a payment not to exceed \$100 for residences that provide other services necessary to provide room and board if the residence does not allow alcohol on the property, provides minimal services, and is unable to demonstrate a chemical dependency success rate of at least 30 percent for participants six months after completing the program. Unless otherwise provided in law, in no case may the supplementary service rate exceed \$426.37. The registration and licensure requirement does not apply to establishments which are exempt from state licensure because they are located on Indian reservations and for which the tribe has prescribed health and safety requirements. Service payments under this section may be prohibited under rules to prevent the supplanting of federal funds with state funds. The commissioner shall pursue the feasibility of obtaining the approval of the Secretary of Health and Human Services to provide home and community-based waiver services under title XIX of the Social Security Act for residents who are not eligible for an existing home and community-based waiver due to a primary diagnosis of mental illness or chemical dependency and shall apply for a waiver if it is determined to be cost-effective.

(b) The commissioner is authorized to make cost-neutral transfers from the GRH fund for beds under this section to other funding programs administered by the department after consultation with the county or counties in which the affected beds are located. The commissioner may also make cost-neutral transfers from the GRH fund to county human service agencies for beds permanently removed from the GRH census under a plan submitted by the county agency and approved by the commissioner. The commissioner shall report the amount of any transfers under this provision annually to the legislature.

(c) The provisions of paragraph (b) do not apply to a facility that has its reimbursement rate established under section 256B.431, subdivision 4, paragraph (c).

Sec. 19. Minnesota Statutes 2010, section 256J.20, subdivision 3, is amended to read:

Subd. 3. **Other property limitations.** To be eligible for MFIP, the equity value of all nonexcluded real and personal property of the assistance unit must not exceed \$2,000 for applicants and \$5,000 for ongoing participants. The value of assets in clauses (1) to (19) must be excluded when determining the equity value of real and personal property:

(1) a licensed vehicle up to a loan value of less than or equal to ~~\$15,000~~ \$10,000. If the assistance unit owns more than one licensed vehicle, the county agency shall determine the loan value of all additional vehicles and exclude the combined loan value of less than or equal to \$7,500. The county agency shall apply any excess loan value as if it were equity value to the asset limit described in this section, excluding: (i) the value of one vehicle per

physically disabled person when the vehicle is needed to transport the disabled unit member; this exclusion does not apply to mentally disabled people; (ii) the value of special equipment for a disabled member of the assistance unit; and (iii) any vehicle used for long-distance travel, other than daily commuting, for the employment of a unit member.

To establish the loan value of vehicles, a county agency must use the N.A.D.A. Official Used Car Guide, Midwest Edition, for newer model cars. When a vehicle is not listed in the guidebook, or when the applicant or participant disputes the loan value listed in the guidebook as unreasonable given the condition of the particular vehicle, the county agency may require the applicant or participant document the loan value by securing a written statement from a motor vehicle dealer licensed under section 168.27, stating the amount that the dealer would pay to purchase the vehicle. The county agency shall reimburse the applicant or participant for the cost of a written statement that documents a lower loan value;

(2) the value of life insurance policies for members of the assistance unit;

(3) one burial plot per member of an assistance unit;

(4) the value of personal property needed to produce earned income, including tools, implements, farm animals, inventory, business loans, business checking and savings accounts used at least annually and used exclusively for the operation of a self-employment business, and any motor vehicles if at least 50 percent of the vehicle's use is to produce income and if the vehicles are essential for the self-employment business;

(5) the value of personal property not otherwise specified which is commonly used by household members in day-to-day living such as clothing, necessary household furniture, equipment, and other basic maintenance items essential for daily living;

(6) the value of real and personal property owned by a recipient of Supplemental Security Income or Minnesota supplemental aid;

(7) the value of corrective payments, but only for the month in which the payment is received and for the following month;

(8) a mobile home or other vehicle used by an applicant or participant as the applicant's or participant's home;

(9) money in a separate escrow account that is needed to pay real estate taxes or insurance and that is used for this purpose;

(10) money held in escrow to cover employee FICA, employee tax withholding, sales tax withholding, employee worker compensation, business insurance, property rental, property taxes, and other costs that are paid at least annually, but less often than monthly;

(11) monthly assistance payments for the current month's or short-term emergency needs under section 256J.626, subdivision 2;

(12) the value of school loans, grants, or scholarships for the period they are intended to cover;

(13) payments listed in section 256J.21, subdivision 2, clause (9), which are held in escrow for a period not to exceed three months to replace or repair personal or real property;

(14) income received in a budget month through the end of the payment month;

(15) savings from earned income of a minor child or a minor parent that are set aside in a separate account designated specifically for future education or employment costs;

(16) the federal earned income credit, Minnesota working family credit, state and federal income tax refunds, state homeowners and renters credits under chapter 290A, property tax rebates and other federal or state tax rebates in the month received and the following month;

(17) payments excluded under federal law as long as those payments are held in a separate account from any nonexcluded funds;

(18) the assets of children ineligible to receive MFIP benefits because foster care or adoption assistance payments are made on their behalf; and

(19) the assets of persons whose income is excluded under section 256J.21, subdivision 2, clause (43).

Sec. 20. Minnesota Statutes 2010, section 256J.53, subdivision 2, is amended to read:

Subd. 2. **Approval of postsecondary education or training.** (a) In order for a postsecondary education or training program to be an approved activity in an employment plan, the ~~plan must include additional work activities if the education and training activities do not meet the minimum hours required to meet the federal work participation rate under Code of Federal Regulations, title 45, sections 261.31 and 261.35~~ participant must be working in unsubsidized employment at least 20 hours per week.

(b) Participants seeking approval of a postsecondary education or training plan must provide documentation that:

(1) the employment goal can only be met with the additional education or training;

(2) there are suitable employment opportunities that require the specific education or training in the area in which the participant resides or is willing to reside;

(3) the education or training will result in significantly higher wages for the participant than the participant could earn without the education or training;

(4) the participant can meet the requirements for admission into the program; and

(5) there is a reasonable expectation that the participant will complete the training program based on such factors as the participant's MFIP assessment, previous education, training, and work history; current motivation; and changes in previous circumstances.

(c) The hourly unsubsidized employment requirement does not apply for intensive education or training programs lasting 12 weeks or less when full-time attendance is required.

Sec. 21. Minnesota Statutes 2010, section 260C.157, subdivision 3, is amended to read:

Subd. 3. **Juvenile treatment screening team.** (a) The responsible social services agency shall establish a juvenile treatment screening team to conduct screenings and prepare case plans under ~~this subdivision~~ section 245.487, subdivision 3, and chapters 260C and 260D. Screenings shall be conducted within 15 days of a request for a screening. The team, which may be the team constituted under section 245.4885 or 256B.092 or Minnesota Rules, parts 9530.6600 to 9530.6655, shall consist of social workers, juvenile justice professionals, and persons with expertise in the treatment of juveniles who are emotionally disabled, chemically dependent, or have a developmental disability. ~~The team shall involve parents or guardians in the screening process as appropriate, and the child's parent, guardian, or permanent legal custodian under section 260C.201, subdivision 11.~~ The team may be the same team as defined in section 260B.157, subdivision 3.

(b) The social services agency shall determine whether a child brought to its attention for the purposes described in this section is an Indian child, as defined in section 260C.007, subdivision 21, and shall determine the identity of the Indian child's tribe, as defined in section 260.755, subdivision 9. When a child to be evaluated is an Indian child, the team provided in paragraph (a) shall include a designated representative of the Indian child's tribe, unless the child's tribal authority declines to appoint a representative. The Indian child's tribe may delegate its authority to represent the child to any other federally recognized Indian tribe, as defined in section 260.755, subdivision 12.

(c) If the court, prior to, or as part of, a final disposition, proposes to place a child:

(1) for the primary purpose of treatment for an emotional disturbance, a developmental disability, or chemical dependency in a residential treatment facility out of state or in one which is within the state and licensed by the commissioner of human services under chapter 245A; or

(2) in any out-of-home setting potentially exceeding 30 days in duration, including a postdispositional placement in a facility licensed by the commissioner of corrections or human services, the court shall ascertain whether the child is an Indian child and shall notify the county welfare agency and, if the child is an Indian child, shall notify the Indian child's tribe. The county's juvenile treatment screening team must either: (i) screen and evaluate the child and file its recommendations with the court within 14 days of receipt of the notice; or (ii) elect not to screen a given case and notify the court of that decision within three working days.

(d) ~~If the screening team has elected to screen and evaluate the child,~~ The child may not be placed for the primary purpose of treatment for an emotional disturbance, a developmental disability, or chemical dependency, in a residential treatment facility out of state nor in a residential treatment facility within the state that is licensed under chapter 245A, unless one of the following conditions applies:

(1) a treatment professional certifies that an emergency requires the placement of the child in a facility within the state;

(2) the screening team has evaluated the child and recommended that a residential placement is necessary to meet the child's treatment needs and the safety needs of the community, that it is a cost-effective means of meeting the treatment needs, and that it will be of therapeutic value to the child; or

(3) the court, having reviewed a screening team recommendation against placement, determines to the contrary that a residential placement is necessary. The court shall state the reasons for its determination in writing, on the record, and shall respond specifically to the findings and recommendation of the screening team in explaining why the recommendation was rejected. The attorney representing the child and the prosecuting attorney shall be afforded an opportunity to be heard on the matter.

(e) When the county's juvenile treatment screening team has elected to screen and evaluate a child determined to be an Indian child, the team shall provide notice to the tribe or tribes that accept jurisdiction for the Indian child or that recognize the child as a member of the tribe or as a person eligible for membership in the tribe, and permit the tribe's representative to participate in the screening team.

(f) When the Indian child's tribe or tribal health care services provider or Indian Health Services provider proposes to place a child for the primary purpose of treatment for an emotional disturbance, a developmental disability, or co-occurring emotional disturbance and chemical dependency, the Indian child's tribe or the tribe delegated by the child's tribe shall submit necessary documentation to the county juvenile treatment screening team, which must invite the Indian child's tribe to designate a representative to the screening team.

Sec. 22. Minnesota Statutes 2010, section 260D.01, is amended to read:

260D.01 CHILD IN VOLUNTARY FOSTER CARE FOR TREATMENT.

(a) Sections 260D.01 to 260D.10, may be cited as the "child in voluntary foster care for treatment" provisions of the Juvenile Court Act.

(b) The juvenile court has original and exclusive jurisdiction over a child in voluntary foster care for treatment upon the filing of a report or petition required under this chapter. All obligations of the agency to a child and family in foster care contained in chapter 260C not inconsistent with this chapter are also obligations of the agency with regard to a child in foster care for treatment under this chapter.

(c) This chapter shall be construed consistently with the mission of the children's mental health service system as set out in section 245.487, subdivision 3, and the duties of an agency under section 256B.092, 260C.157, and Minnesota Rules, parts 9525.0004 to 9525.0016, to meet the needs of a child with a developmental disability or related condition. This chapter:

(1) establishes voluntary foster care through a voluntary foster care agreement as the means for an agency and a parent to provide needed treatment when the child must be in foster care to receive necessary treatment for an emotional disturbance or developmental disability or related condition;

(2) establishes court review requirements for a child in voluntary foster care for treatment due to emotional disturbance or developmental disability or a related condition;

(3) establishes the ongoing responsibility of the parent as legal custodian to visit the child, to plan together with the agency for the child's treatment needs, to be available and accessible to the agency to make treatment decisions, and to obtain necessary medical, dental, and other care for the child; and

(4) applies to voluntary foster care when the child's parent and the agency agree that the child's treatment needs require foster care either:

(i) due to a level of care determination by the agency's screening team informed by the diagnostic and functional assessment under section 245.4885; or

(ii) due to a determination regarding the level of services needed by the responsible social services' screening team under section 256B.092, and Minnesota Rules, parts 9525.0004 to 9525.0016.

(d) This chapter does not apply when there is a current determination under section 626.556 that the child requires child protective services or when the child is in foster care for any reason other than treatment for the child's emotional disturbance or developmental disability or related condition. When there is a determination under section 626.556 that the child requires child protective services based on an assessment that there are safety and risk issues for the child that have not been mitigated through the parent's engagement in services or otherwise, or when the child is in foster care for any reason other than the child's emotional disturbance or developmental disability or related condition, the provisions of chapter 260C apply.

(e) The paramount consideration in all proceedings concerning a child in voluntary foster care for treatment is the safety, health, and the best interests of the child. The purpose of this chapter is:

(1) to ensure a child with a disability is provided the services necessary to treat or ameliorate the symptoms of the child's disability;

(2) to preserve and strengthen the child's family ties whenever possible and in the child's best interests, approving the child's placement away from the child's parents only when the child's need for care or treatment requires it and the child cannot be maintained in the home of the parent; and

(3) to ensure the child's parent retains legal custody of the child and associated decision-making authority unless the child's parent willfully fails or is unable to make decisions that meet the child's safety, health, and best interests. The court may not find that the parent willfully fails or is unable to make decisions that meet the child's needs solely because the parent disagrees with the agency's choice of foster care facility, unless the agency files a petition under chapter 260C, and establishes by clear and convincing evidence that the child is in need of protection or services.

(f) The legal parent-child relationship shall be supported under this chapter by maintaining the parent's legal authority and responsibility for ongoing planning for the child and by the agency's assisting the parent, where necessary, to exercise the parent's ongoing right and obligation to visit or to have reasonable contact with the child. Ongoing planning means:

- (1) actively participating in the planning and provision of educational services, medical, and dental care for the child;
- (2) actively planning and participating with the agency and the foster care facility for the child's treatment needs; and
- (3) planning to meet the child's need for safety, stability, and permanency, and the child's need to stay connected to the child's family and community.

(g) The provisions of section 260.012 to ensure placement prevention, family reunification, and all active and reasonable effort requirements of that section apply. This chapter shall be construed consistently with the requirements of the Indian Child Welfare Act of 1978, United States Code, title 25, section 1901, et al., and the provisions of the Minnesota Indian Family Preservation Act, sections 260.751 to 260.835.

Sec. 23. Minnesota Statutes 2010, section 393.07, subdivision 10a, is amended to read:

Subd. 10a. **Expedited issuance of food stamps.** The commissioner of human services shall continually monitor the expedited issuance of food stamp benefits to ensure that each county complies with federal regulations and that households eligible for expedited issuance of food stamps are identified, processed, and certified within the time frames prescribed in federal regulations.

County food stamp offices shall screen and issue food stamps to applicants on the day of application. Applicants who meet the federal criteria for expedited issuance and have an immediate need for food assistance shall receive within two working days either:

- (1) a manual Authorization to Participate (ATP) card; or
- (2) the ~~immediate~~ issuance of food stamp coupons.

The local food stamp agency shall conspicuously post in each food stamp office a notice of the availability of and the procedure for applying for expedited issuance and verbally advise each applicant of the availability of the expedited process.

Sec. 24. **GRANT PROGRAM TO PROMOTE HEALTHY COMMUNITY INITIATIVES.**

(a) The commissioner of human services must contract with the Search Institute to help local communities develop, expand, and maintain the tools, training, and resources needed to foster positive community development and effectively engage people in their community. The Search Institute must: (1) provide training in community mobilization, youth development, and assets getting to outcomes; (2) provide ongoing technical assistance to communities receiving grants under this section; (3) use best practices to promote community development; (4) share best program practices with other interested communities; (5) create electronic and other opportunities for communities to share experiences in and resources for promoting healthy community development; and (6) provide an annual report of the strong communities project.

(b) Specifically, the Search Institute must use a competitive grant process to select four interested communities throughout Minnesota to undertake strong community mobilization initiatives to support communities wishing to catalyze multiple sectors to create or strengthen a community collaboration to address issues of poverty in their communities. The Search Institute must provide the selected communities with the tools, training, and resources

they need for successfully implementing initiatives focused on strengthening the community. The Search Institute also must use a competitive grant process to provide four strong community innovation grants to encourage current community initiatives to bring new innovation approaches to their work to reduce poverty. Finally, the Search Institute must work to strengthen networking and information sharing activities among all healthy community initiatives throughout Minnesota, including sharing best program practices and providing personal and electronic opportunities for peer learning and ongoing program support.

(c) In order to receive a grant under paragraph (b), a community must show involvement of at least three sectors of their community and the active leadership of both youth and adults. Sectors may include, but are not limited to, local government, schools, community action agencies, faith communities, businesses, higher education institutions, and the medical community. In addition, communities must agree to: (1) attend training on community mobilization processes and strength-based approaches; (2) apply the assets getting to outcomes process in their initiative; (3) meet at least two times during the grant period to share successes and challenges with other grantees; (4) participate on an electronic listserv to share information throughout the period on their work; and (5) all communication requirements and reporting processes.

(d) The commissioner of human services must evaluate the effectiveness of this program and must recommend to the committees of the legislature with jurisdiction over health and human services reform and finance by February 15, 2013, whether or not to make the program available statewide. The Search Institute annually must report to the commissioner of human services on the services it provided and the grant money it expended under this section.

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

Sec. 25. **CIRCLES OF SUPPORT GRANTS.**

The commissioner of human services must provide grants to community action agencies to help local communities develop, expand, and maintain the tools, training, and resources needed to foster social assets to assist people out of poverty through circles of support. The circles of support model must provide a framework for a community to build relationships across class and race lines so that people can work together to advocate for change in their communities and move individuals toward self-sufficiency.

Specifically, circles of support initiatives must focus on increasing social capital, income, educational attainment, and individual accountability, while reducing debt, service dependency, and addressing systemic disparities that hold poverty in place. The effort must support the development of local guiding coalitions as the link between the community and circles of support for resource development and funding leverage.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 26. **PILOT PROJECT FOR HOMELESS ADULTS TO BE IN-HOME CARETAKERS OF FORECLOSED HOMES.**

(a) Stepping Stone Emergency Housing may form a partnership with local banks who own foreclosed homes to:

(1) utilize foreclosed homes for graduates of Stepping Stone Emergency Housing to become in-home caretakers of those homes;

(2) provide the security needed by the homes' banking owners and others to help stabilize neighborhoods through carefully maintained homes that will prevent vandalism, squatters, and drug houses;

(3) provide transitional housing to up to four homeless clients per home after they graduate from emergency housing allowing the clients time to find permanent housing in a tight affordable housing market; and

(4) provide management of the project to ensure proper oversight for the homes' owners and support of the caretakers.

(b) This section expires June 30, 2013.

Sec. 27. **HOMELESS SHELTERS; SCHOOL DISTRICTS.**

School districts may coordinate with local units of government and homeless services providers to use empty school buildings as homeless shelters.

Sec. 28. **REQUIREMENT FOR LIQUOR STORES, TOBACCO STORES, GAMBLING ESTABLISHMENTS, AND TATTOO PARLORS.**

Liquor stores, tobacco stores, gambling establishments, and tattoo parlors must negotiate with their third-party processors to block EBT card cash transactions at their places of business and withdrawals of cash at automatic teller machines located in their places of business.

Sec. 29. **MINNESOTA EBT BUSINESS TASK FORCE.**

Subdivision 1. **Members.** The Minnesota EBT Business Task Force includes seven members, appointed as follows:

(1) two members of the Minnesota house of representatives, one appointed by the speaker of the house and one appointed by the minority leader;

(2) two members of the Minnesota senate, one appointed by the senate majority leader and one appointed by the senate minority leader;

(3) the commissioner of human services, or designee;

(4) an appointee of the Minnesota Grocers Association; and

(5) a credit card processor, appointed by the commissioner of human services.

Subd. 2. **Duties.** The Minnesota EBT Business Task Force shall create a workable strategy to eliminate the purchase of tobacco and alcoholic beverages by recipients of the general assistance program and Minnesota supplemental aid program under Minnesota Statutes, chapter 256D, and programs under Minnesota Statutes, chapter 256J, using EBT cards. The task force will consider cost to the state, feasibility of execution at retail, and ease of use and privacy for EBT cardholders.

Subd. 3. **Report.** The task force will report back to the legislative committees with jurisdiction over health and human services policy and finance by April 1, 2012, with recommendations related to the task force duties under subdivision 2.

Subd. 4. **Expiration.** The task force expires on June 30, 2012.

Sec. 30. **REPEALER.**

(a) Minnesota Statutes 2010, sections 256.979, subdivisions 5, 6, 7, and 10; 256.9791; 256.9862, subdivision 2; and 256I.05, subdivisions 1d, 1e, 1f, 1g, 1h, 1i, 1j, 1k, 1l, 1m, and 1n, are repealed.

(b) Minnesota Rules, part 3400.0130, subpart 8, is repealed effective September 3, 2012.

ARTICLE 2
DEPARTMENT OF HEALTH

Section 1. Minnesota Statutes 2010, section 62D.08, subdivision 7, is amended to read:

Subd. 7. **Consistent administrative expenses and investment income reporting.** (a) Every health maintenance organization must directly allocate administrative expenses to specific lines of business or products when such information is available. The definition of administrative expenses must be consistent with that of the National Association of Insurance Commissioners (NAIC) as provided in the most current NAIC blank. Remaining expenses that cannot be directly allocated must be allocated based on other methods, as recommended by the Advisory Group on Administrative Expenses. Health maintenance organizations must submit this information, including administrative expenses for dental services, using the reporting template provided by the commissioner of health.

(b) Every health maintenance organization must allocate investment income based on cumulative net income over time by business line or product and must submit this information, including investment income for dental services, using the reporting template provided by the commissioner of health.

Sec. 2. Minnesota Statutes 2010, section 62J.04, subdivision 3, is amended to read:

Subd. 3. **Cost containment duties.** The commissioner shall:

(1) establish statewide and regional cost containment goals for total health care spending under this section and collect data as described in sections 62J.38 ~~to 62J.44~~ and 62J.40 to monitor statewide achievement of the cost containment goals;

(2) divide the state into no fewer than four regions, with one of those regions being the Minneapolis/St. Paul metropolitan statistical area but excluding Chisago, Isanti, Wright, and Sherburne Counties, for purposes of fostering the development of regional health planning and coordination of health care delivery among regional health care systems and working to achieve the cost containment goals;

(3) monitor the quality of health care throughout the state and take action as necessary to ensure an appropriate level of quality;

(4) issue recommendations regarding uniform billing forms, uniform electronic billing procedures and data interchanges, patient identification cards, and other uniform claims and administrative procedures for health care providers and private and public sector payers. In developing the recommendations, the commissioner shall review the work of the work group on electronic data interchange (WEDI) and the American National Standards Institute (ANSI) at the national level, and the work being done at the state and local level. The commissioner may adopt rules requiring the use of the Uniform Bill 82/92 form, the National Council of Prescription Drug Providers (NCPDP) 3.2 electronic version, the Centers for Medicare and Medicaid Services 1500 form, or other standardized forms or procedures;

(5) undertake health planning responsibilities;

(6) authorize, fund, or promote research and experimentation on new technologies and health care procedures;

(7) within the limits of appropriations for these purposes, administer or contract for statewide consumer education and wellness programs that will improve the health of Minnesotans and increase individual responsibility relating to personal health and the delivery of health care services, undertake prevention programs including initiatives to improve birth outcomes, expand childhood immunization efforts, and provide start-up grants for worksite wellness programs;

(8) undertake other activities to monitor and oversee the delivery of health care services in Minnesota with the goal of improving affordability, quality, and accessibility of health care for all Minnesotans; and

(9) make the cost containment goal data available to the public in a consumer-oriented manner.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 3. Minnesota Statutes 2010, section 62J.17, subdivision 4a, is amended to read:

Subd. 4a. **Expenditure reporting.** Each hospital, outpatient surgical center, and diagnostic imaging center, ~~and physician clinic~~ shall report annually to the commissioner on all major spending commitments, in the form and manner specified by the commissioner. The report shall include the following information:

(a) a description of major spending commitments made during the previous year, including the total dollar amount of major spending commitments and purpose of the expenditures;

(b) the cost of land acquisition, construction of new facilities, and renovation of existing facilities;

(c) the cost of purchased or leased medical equipment, by type of equipment;

(d) expenditures by type for specialty care and new specialized services;

(e) information on the amount and types of added capacity for diagnostic imaging services, outpatient surgical services, and new specialized services; and

(f) information on investments in electronic medical records systems.

For hospitals and outpatient surgical centers, this information shall be included in reports to the commissioner that are required under section 144.698. For diagnostic imaging centers, this information shall be included in reports to the commissioner that are required under section 144.565. ~~For physician clinics, this information shall be included in reports to the commissioner that are required under section 62J.41.~~ For all other health care providers that are subject to this reporting requirement, reports must be submitted to the commissioner by March 1 each year for the preceding calendar year.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 4. Minnesota Statutes 2010, section 62J.495, is amended by adding a subdivision to read:

Subd. 7. **Exemption.** Any clinical practice with a total annual net revenue of less than \$500,000, and that has not received a state or federal grant for implementation of electronic health records, is exempt from the requirements of subdivision 1. This subdivision expires December 31, 2020.

Sec. 5. Minnesota Statutes 2010, section 62J.497, is amended by adding a subdivision to read:

Subd. 6. **Additional standards for electronic prescribing.** By January 1, 2012, the commissioner of health, in consultation with the Minnesota e-Health Advisory Committee, must develop a method for incorporation of the following transactions into the requirements and standards for electronic prescribing provided in subdivisions 2 and 3:

(1) submission of requests for a formulary exception based on information required on the form developed according to subdivision 4; and

(2) submission of prior authorization requests based on information required on the form developed according to subdivision 5.

Sec. 6. Minnesota Statutes 2010, section 62J.692, is amended to read:

62J.692 MEDICAL EDUCATION.

Subdivision 1. **Definitions.** For purposes of this section, the following definitions apply:

(a) "Accredited clinical training" means the clinical training provided by a medical education program that is accredited through an organization recognized by the Department of Education, the Centers for Medicare and Medicaid Services, or another national body who reviews the accrediting organizations for multiple disciplines and whose standards for recognizing accrediting organizations are reviewed and approved by the commissioner of health in consultation with the Medical Education and Research Advisory Committee.

(b) "Commissioner" means the commissioner of health.

(c) "Clinical medical education program" means the accredited clinical training of physicians (medical students and residents), doctor of pharmacy practitioners, doctors of chiropractic, dentists, advanced practice nurses (clinical nurse specialists, certified registered nurse anesthetists, nurse practitioners, and certified nurse midwives), and physician assistants.

(d) "Sponsoring institution" means a hospital, school, or consortium located in Minnesota that sponsors and maintains primary organizational and financial responsibility for a clinical medical education program in Minnesota and which is accountable to the accrediting body.

(e) "Teaching institution" means a hospital, medical center, clinic, or other organization that conducts a clinical medical education program in Minnesota.

(f) "Trainee" means a student or resident involved in a clinical medical education program.

(g) "Eligible trainee FTE's" means the number of trainees, as measured by full-time equivalent counts, that are at training sites located in Minnesota with currently active medical assistance enrollment status and a National Provider Identification (NPI) number where training occurs in either an inpatient or ambulatory patient care setting and where the training is funded, in part, by patient care revenues. ~~Training that occurs in nursing facility settings is not eligible for funding under this section.~~

Subd. 3. **Application process.** (a) A clinical medical education program conducted in Minnesota by a teaching institution to train physicians, doctor of pharmacy practitioners, dentists, advanced dental therapists, chiropractors, or physician assistants is eligible for funds under subdivision 4 or 11, as appropriate, if the program:

(1) is funded, in part, by patient care revenues;

(2) occurs in patient care settings that face increased financial pressure as a result of ~~competition with nonteaching patient care entities~~ training activities; and

(3) emphasizes primary care ~~or specialties that are in undersupply in Minnesota~~ in rural areas or for racial, ethnic, or cultural populations in the state experiencing health disparities.

~~A clinical medical education program that trains pediatricians is requested to include in its program curriculum training in case management and medication management for children suffering from mental illness to be eligible for funds under subdivision 4.~~

(b) A clinical medical education program for advanced practice nursing, registered nurses, or licensed practical nurses is eligible for funds under subdivision 4 or 11, as appropriate, if the program meets the eligibility requirements in paragraph (a), clauses (1) to (3), and is sponsored by the University of Minnesota Academic Health Center, the Mayo Foundation, or institutions that are part of the Minnesota State Colleges and Universities system or members of the Minnesota Private College Council.

(c) Applications must be submitted to the commissioner by a sponsoring institution on behalf of an eligible clinical medical education program and must be received by October 31 of each year for distribution in the following year. An application for funds must contain the following information:

(1) the official name and address of the sponsoring institution and the official name and site address of the clinical medical education programs on whose behalf the sponsoring institution is applying;

(2) the name, title, and business address of those persons responsible for administering the funds;

(3) for each clinical medical education program for which funds are being sought; the type and specialty orientation of trainees in the program; the name, site address, and medical assistance provider number or National Provider Identification number (NPI) of each training site used in the program; the total number of trainees at each training site; and the total number of eligible trainee FTEs at each site; and

(4) other supporting information the commissioner deems necessary to determine program eligibility based on the criteria in paragraphs (a) and (b) and to ensure the ~~equitable~~ appropriate distribution of funds.

(d) An application must include the information specified in clauses (1) to (3) for each clinical medical education program on an annual basis for three consecutive years. After that time, an application must include the information specified in clauses (1) to (3) when requested, at the discretion of the commissioner:

(1) audited clinical training costs per trainee for each clinical medical education program when available or estimates of clinical training costs based on audited financial data;

(2) a description of current sources of funding for clinical medical education costs, including a description and dollar amount of all state and federal financial support, including Medicare direct and indirect payments; and

(3) other revenue received for the purposes of clinical training.

(e) An applicant that does not provide information requested by the commissioner shall not be eligible for funds for the current funding cycle.

Subd. 4. **Distribution of funds.** (a) Following the distribution described under paragraph (b), the commissioner shall annually distribute the available medical education funds to all qualifying applicants based on ~~a distribution formula that reflects a summation of two factors~~:

(4) a public program volume factor, which is determined by the total volume of public program revenue received by each training site as a percentage of all public program revenue received by all training sites in the fund pool; ~~and~~

~~(2) a supplemental public program volume factor, which is determined by providing a supplemental payment of 20 percent of each training site's grant to training sites whose public program revenue accounted for at least 0.98 percent of the total public program revenue received by all eligible training sites. Grants to training sites whose public program revenue accounted for less than 0.98 percent of the total public program revenue received by all eligible training sites shall be reduced by an amount equal to the total value of the supplemental payment.~~

Public program revenue for the distribution formula includes revenue from medical assistance, prepaid medical assistance, general assistance medical care, and prepaid general assistance medical care. Training sites that receive no public program revenue are ineligible for funds available under this subdivision. For purposes of determining training-site level grants to be distributed under paragraph (a), total statewide average costs per trainee for medical residents is based on audited clinical training costs per trainee in primary care clinical medical education programs for medical residents. Total statewide average costs per trainee for dental residents is based on audited clinical training costs per trainee in clinical medical education programs for dental students. Total statewide average costs per trainee for pharmacy residents is based on audited clinical training costs per trainee in clinical medical education programs for pharmacy students. Training sites whose training-site level grant is less than \$1,000, based on the formula described in this paragraph, are ineligible for funds available under this subdivision.

(b) ~~\$5,350,000~~ \$4,900,000 of the available medical education funds in fiscal year 2012 and \$3,044,000 beginning in fiscal year 2013 shall be distributed to fund training designed to address health disparities as follows:

(1) ~~\$1,475,000~~ \$500,000 in fiscal year 2012 and \$200,000 beginning in fiscal year 2013 to ~~the University of Minnesota Medical Center Fairview~~ the White Earth Band of Ojibwe Indians according to section 145.9271;

(2) ~~\$2,075,000~~ \$600,000 in fiscal year 2012 and \$200,000 beginning in fiscal year 2013 to ~~the University of Minnesota School of Dentistry~~ University of Minnesota according to section 137.395; and

(3) \$500,000 in fiscal year 2012 and \$200,000 beginning in fiscal year 2013 shall be distributed to the community health centers development grants program according to section 145.987;

(4) \$500,000 in fiscal year 2012 and \$200,000 beginning in fiscal year 2013 shall be distributed to the community mental health centers grant program according to section 145.9272;

(5) \$1,000,000 in fiscal year 2012 and \$444,000 beginning in fiscal year 2013 shall be distributed to the health careers opportunities grant program according to section 144.1499; and

~~(3)~~ (6) \$1,800,000 to the Academic Health Center. \$150,000 of the funds distributed to the Academic Health Center under this paragraph shall be used for a program to assist internationally trained physicians who are legal residents and who commit to serving underserved Minnesota communities in a health professional shortage area to successfully compete for family medicine residency programs at the University of Minnesota.

(c) Funds distributed shall not be used to displace current funding appropriations from federal or state sources.

(d) Funds shall be distributed to the sponsoring institutions indicating the amount to be distributed to each of the sponsor's clinical medical education programs based on the criteria in this subdivision and in accordance with the commissioner's approval letter. Each clinical medical education program must distribute funds allocated under paragraph (a) to the training sites as specified in the commissioner's approval letter. Sponsoring institutions, which are accredited through an organization recognized by the Department of Education or the Centers for Medicare and Medicaid Services, may contract directly with training sites to provide clinical training. To ensure the quality of clinical training, those accredited sponsoring institutions must:

(1) develop contracts specifying the terms, expectations, and outcomes of the clinical training conducted at sites; and

(2) take necessary action if the contract requirements are not met. Action may include the withholding of payments under this section or the removal of students from the site.

(e) Any funds not distributed in accordance with the commissioner's approval letter must be returned to the medical education and research fund within 30 days of receiving notice from the commissioner. The commissioner shall distribute returned funds to the appropriate training sites in accordance with the commissioner's approval letter.

(f) A maximum of \$150,000 of the funds dedicated to the commissioner under section 297F.10, subdivision 1, clause (2), may be used by the commissioner for administrative expenses associated with implementing this section.

Subd. 5. **Report.** (a) Sponsoring institutions receiving funds under this section must sign and submit a medical education grant verification report (GVR) to verify that the correct grant amount was forwarded to each eligible training site. ~~If the sponsoring institution fails to submit the GVR by the stated deadline, or to request and meet the deadline for an extension, the sponsoring institution is required to return the full amount of funds received to the commissioner within 30 days of receiving notice from the commissioner. The commissioner shall distribute returned funds to the appropriate training sites in accordance with the commissioner's approval letter.~~

(b) The reports must provide verification of the distribution of the funds and must include:

(1) the total number of eligible trainee FTEs in each clinical medical education program;

(2) the name of each funded program and, for each program, the dollar amount distributed to each training site;

(3) documentation of any discrepancies between the initial grant distribution notice included in the commissioner's approval letter and the actual distribution;

(4) a statement by the sponsoring institution stating that the completed grant verification report is valid and accurate; and

(5) other information the commissioner, with advice from the advisory committee, deems appropriate to evaluate the effectiveness of the use of funds for medical education.

(c) By February 15 of each year, the commissioner, with advice from the advisory committee, shall provide an annual summary report to the legislature on the implementation of this section.

Subd. 6. **Other available funds.** The commissioner is authorized to distribute, in accordance with subdivision 4, funds made available through:

(1) voluntary contributions by employers or other entities;

(2) allocations for the commissioner of human services to support medical education and research; and

(3) other sources as identified and deemed appropriate by the legislature for inclusion in the fund.

Subd. 7. **Transfers from the commissioner of human services.** Of the amount transferred according to section 256B.69, subdivision 5c, paragraph (a), clauses (1) to (4), \$21,714,000 shall be distributed as follows:

(1) \$2,157,000 shall be distributed by the commissioner to the University of Minnesota Board of Regents for the purposes described in sections 137.38 to 137.40;

(2) \$1,035,360 shall be distributed by the commissioner to the Hennepin County Medical Center for clinical medical education;

(3) \$17,400,000 shall be distributed by the commissioner to the University of Minnesota Board of Regents for purposes of medical education;

(4) ~~\$1,121,640~~ \$1,021,640 shall be distributed by the commissioner to clinical medical education dental innovation grants in accordance with subdivision 7a; ~~and~~

(5) \$100,000 shall be distributed to the health careers opportunities grant program according to section 144.1499; and

~~(6)~~ the remainder of the amount transferred according to section 256B.69, subdivision 5c, clauses (1) to (4), shall be distributed by the commissioner annually to clinical medical education programs that meet the qualifications of subdivision 3 based on the formula in subdivision 4, paragraph (a) , or subdivision 11, as appropriate.

Subd. 7a. **Clinical medical education innovations grants.** (a) The commissioner shall award grants to teaching institutions and clinical training sites ~~for projects that provide training to increase dental access for underserved populations and promote innovative clinical training of dental professionals and for racial, ethnic, or cultural populations in the state experiencing health disparities.~~ In awarding the grants, the commissioner, in consultation with the commissioner of human services, shall consider the following:

(1) potential to successfully increase access to an underserved population;

~~(2) the long term viability of the project to improve access beyond the period of initial funding;~~

~~(3)~~ evidence of collaboration between the applicant and local communities; and

~~(4) the efficiency in the use of the funding; and~~

~~(5)~~ (3) the priority level of the project in relation to ~~state clinical education, access, and health disparity~~ workforce goals.

(b) The commissioner shall periodically evaluate the priorities in awarding the innovations grants in order to ensure that the priorities meet the changing workforce needs of the state.

Subd. 8. **Federal financial participation.** The commissioner of human services shall seek to maximize federal financial participation in payments for medical education and research costs.

The commissioner shall use physician clinic rates where possible to maximize federal financial participation. Any additional funds that become available must be distributed under subdivision 4, paragraph (a), or 11, as appropriate.

Subd. 9. **Review of eligible providers.** The commissioner and the Medical Education and Research Costs Advisory Committee may review provider groups included in the definition of a clinical medical education program to assure that the distribution of the funds continue to be consistent with the purpose of this section. ~~The results of any such reviews must be reported to the Legislative Commission on Health Care Access.~~

Subd. 11. **Distribution of funds.** (a) Upon receiving federal approval, the commissioner shall annually distribute the available medical education funds to all qualifying applicants based on the following distribution formula, which supersedes the formula described in subdivision 4, paragraphs (a) and (b):

(1) funds received pursuant to section 297F.10 shall be distributed to eligible clinical training sites using a public program volume factor, which is determined by the total volume of public program revenue received by each eligible training site as a percentage of all public program revenue received by all eligible training sites in the fund pool. Only clinical training that occurs in a hospital that reports financial, utilization, and services data to the commissioner of health, pursuant to sections 144.564 and 144.695 to 144.703 and Minnesota Rules, chapter 4650, is eligible for funding under this clause; and

(2) funds transferred according to section 256B.69, subdivision 5c, paragraph (a), clauses (1) to (4), shall be distributed to eligible training sites based on the total number of eligible trainee FTEs and the total statewide average costs per FTE, by type of trainee, in each clinical medical education program. The number of eligible trainee FTEs for funds distributed under this clause is determined using the following steps:

(i) each FTE trainee from an advanced practice nursing, physician assistant, family medicine, internal medicine, general pediatrics, or psychiatry program is weighted at 1.25. Each FTE trainee from any other eligible training program is weighted at 1.0;

(ii) each FTE trainee at a clinical training site located in an isolated rural area according to the four category classification of the Rural Urban Commuting Area (RUCA) system developed for the United States Health Resources and Services Administration shall be weighted at the weight in item (i) multiplied by 1.5; each FTE trainee at a clinical training site located in a small rural area according to the RUCA system shall be weighted at the weight in item (i) multiplied by 1.25; each FTE trainee at a clinical training site located in a large rural area according to the RUCA system shall be weighted at the weight in item (i) multiplied by 1.1; and each FTE trainee at a clinical training site located in an urban area according to the RUCA system shall be weighted at the weight in item (i) multiplied by 1.0;

(iii) each FTE trainee at a clinical training site that is a hospital eligible for funding under clause (1) shall be weighted at the weight in item (ii) multiplied by 0.85; and each FTE trainee at a clinical training site that is an ambulatory, nursing home, or other eligible nonhospital setting shall be weighted at the weight in item (ii) multiplied by 1.15; and

(iv) grants to hospitals under this item are limited to a percentage share of the total pool of funds available under this item that is no more than 1.5 times the percentage of the hospital's total revenue that comes from public programs. Grants to hospitals in excess of this amount will be redistributed to other sites eligible for funding under this item. Each eligible clinical training site's grant under this item will be calculated by multiplying the training site's adjusted FTE count upon completion of items (i) to (iv) by the statewide average cost per trainee for each provider type to determine an adjusted clinical training cost for each site. The grant to each eligible clinical training site under this item shall equal that site's share of total adjusted clinical training costs for all eligible training sites receiving funding under this item. Any clinical training site with fewer than 0.1 FTE eligible trainees from all programs upon completion of items (i) to (iv) and any clinical training site that would receive less than a cumulative \$1,000 under clauses (1) and (2) will be eliminated from the distribution.

(b) Public program revenue for the distribution formula includes revenue for the relevant MERC reporting period from medical assistance, prepaid medical assistance, general assistance medical care, MinnesotaCare, and prepaid general assistance medical care, as reported to the Department of Health pursuant to sections 144.562, 144.564, and 144.695 to 144.703 and Minnesota Rules, chapter 4650, by December 31 of the year in which the MERC application is submitted. Training sites that receive no public program revenue are ineligible for funds available under this subdivision. For purposes of determining training-site level grants to be distributed under paragraph (a), clause (2), total statewide average costs per trainee for medical residents is based on audited clinical training costs per trainee in primary care clinical medical education programs for medical residents. Total statewide average costs per trainee for dental residents is based on audited clinical training costs per trainee in clinical medical education programs for dental students. Total statewide average costs per trainee for pharmacy residents is based on audited clinical training costs per trainee in clinical medical education programs for pharmacy students.

Sec. 7. **[62U.15] ALZHEIMER'S DISEASE; PREVALENCE AND SCREENING MEASURES.**

Subdivision 1. **Data from providers.** (a) By July 1, 2012, the commissioner shall review currently available quality measures and make recommendations for future measurement aimed at improving assessment and care related to Alzheimer's disease and other dementia diagnoses, including improved rates and results of cognitive screening, rates of Alzheimer's and other dementia diagnoses, and prescribed care and treatment plans.

(b) The commissioner may contract with a private entity to complete the requirements in this subdivision. If the commissioner contracts with a private entity already under contract through section 62U.02, then the commissioner may use a sole source contract and is exempt from competitive procurement processes.

Subd. 2. **Learning collaborative.** By July 1, 2012, the commissioner shall develop a health care home learning collaborative curriculum that includes screening and education on best practices regarding identification and management of Alzheimer's and other dementia patients under section 256B.0751, subdivision 5, for providers, clinics, care coordinators, clinic administrators, patient partners and families, and community resources including public health.

Subd. 3. **Comparison data.** The commissioner, with the commissioner of human services, the Minnesota Board on Aging, and other appropriate state offices, shall jointly review existing and forthcoming literature in order to estimate differences in the outcomes and costs of current practices for caring for those with Alzheimer's disease and other dementias, compared to the outcomes and costs resulting from:

(1) earlier identification of Alzheimer's and other dementias;

(2) improved support of family caregivers; and

(3) improved collaboration between medical care management and community-based supports.

Subd. 4. **Reporting.** By January 15, 2013, the commissioner must report to the legislature on progress toward establishment and collection of quality measures required under this section.

Sec. 8. **[137.395] EDUCATION AND TRAINING FOR HEALTH DISPARITY POPULATIONS.**

Subdivision 1. **Condition.** If the Board of Regents accepts the amount transferred under section 62J.692, subdivision 4, paragraph (b), clause (2), then it must be used for the purposes provided in this section.

Subd. 2. **Purpose.** The Board of Regents, through the Academic Health Center, is required to implement a scholarship program in order to increase the number of graduates of the Academic Health Center programs who are from racial, ethnic, or cultural populations in the state that experience health disparities.

Subd. 3. **Scholarships.** The Board of Regents is required to provide full scholarships to Academic Health Center programs for students who are from racial, ethnic, or cultural populations that experience health disparities. One-third of the scholarship funding available under this program must go to students at the University of Minnesota, Medical School, Duluth.

Sec. 9. Minnesota Statutes 2010, section 144.05, is amended by adding a subdivision to read:

Subd. 6. **Elimination of certain provider reporting requirements; sunset of new requirements.** (a) Notwithstanding any other law, rule, or provision to the contrary, effective July 1, 2012, the commissioner shall cease collecting from health care providers and purchasers all reports and data related to health care costs, quality, utilization, access, patient encounters, and disease surveillance and public health, and related to provider licensure.

monitoring, finances, and regulation, unless the reports or data are necessary for federal compliance. For purposes of this subdivision, the term "health care providers and purchasers" has the meaning provided in section 62J.03, subdivision 8, except that it also includes nursing homes, health plan companies as defined in section 62Q.01, subdivision 4, and managed care and county-based purchasing plans delivering services under sections 256B.69 and 256B.692.

(b) The commissioner shall present to the 2012 legislature draft legislation to repeal, effective July 1, 2012, the provider reporting requirements identified under paragraph (a) that are not necessary for federal compliance.

(c) The commissioner may establish new provider reporting requirements to take effect on or after July 1, 2012. These new reporting requirements must sunset five years from their effective date, unless they are renewed by the commissioner. All new provider reporting requirements and requests for their renewal shall not take effect unless they are enacted in state law.

Sec. 10. Minnesota Statutes 2010, section 144.1499, is amended to read:

144.1499 PROMOTION OF HEALTH CARE AND LONG TERM CARE CAREERS HEALTH CAREERS OPPORTUNITIES GRANT PROGRAM.

Subdivision. 1. **Program.** The commissioner of health, ~~in consultation with an organization representing health care employers, long term care employers, and educational institutions,~~ may make grants to ~~qualifying consortia as defined in section 116L.11, subdivision 4, for intergenerational programs to encourage middle and high school students to work and volunteer in health care and long term care settings. To qualify for a grant under this section, a consortium shall:~~ health care employers, educational institutions, and related organizations for eligible activities intended to increase the number of people from racial, ethnic, or cultural populations that experience health disparities who are entering health careers in Minnesota.

~~(1) develop a health and long term care careers curriculum that provides career exploration and training in national skill standards for health care and long term care and that is consistent with Minnesota graduation standards and other related requirements;~~

~~(2) offer programs for high school students that provide training in health and long term care careers with credits that articulate into postsecondary programs; and~~

~~(3) provide technical support to the participating health care and long term care employer to enable the use of the employer's facilities and programs for kindergarten to grade 12 health and long term care careers education.~~

Subd. 2. **Eligible activities.** Eligible activities must focus on students from racial, ethnic, or cultural populations experiencing health disparities. Eligible activities include the following:

(1) health careers exploration activities for students from racial, ethnic, or cultural populations experiencing health disparities;

(2) elementary, secondary, and postsecondary education activities to improve the academic readiness to enter health professions education programs for students from racial, ethnic, or cultural populations experiencing health disparities;

(3) health careers mentoring for students from racial, ethnic, or cultural populations experiencing health disparities, including support for faculty involved in mentoring these students enrolled in or interested in entering health professions education programs;

(4) secondary and postsecondary summer health care internships that provide students from racial, ethnic, or cultural populations experiencing health disparities with formal exposure to a health care profession in an employment setting;

(5) health careers preparation, guidance, and support for students from racial, ethnic, or cultural populations experiencing health disparities who are interested in entering health professions education programs;

(6) health careers preparation, guidance, and support for students from racial, ethnic, or cultural populations experiencing health disparities who are enrolled in health professions education programs and other activities to improve retention of these students in health professions education programs; or

(7) other activities the commissioner has reason to believe will prepare, attract, and educate for health careers students from racial, ethnic, or cultural populations experiencing health disparities.

Subd. 3. **Applications.** Applicants seeking a grant must apply to the commissioner. Applications must include the following:

(1) a description of the need, challenges, or barriers that the proposed project will address;

(2) a detailed description of the project and how it proposes to address the challenges or barriers;

(3) a budget detailing all sources of funds for the project and how project funds will be used;

(4) baseline data showing the current percentage of program applicants and current students who are from racial, ethnic, or cultural populations experiencing health disparities;

(5) a description of achievable objectives that demonstrate how the project will contribute to increasing the number of students from racial, ethnic, or cultural populations experiencing health disparities who are entering health professions in Minnesota;

(6) a timeline for completion of the project;

(7) roles and capabilities of responsible individuals and organizations, including partner organizations;

(8) a plan to evaluate project outcomes; and

(9) other information the commissioner believes necessary to evaluate the application.

Subd. 4. **Consideration of applications.** The commissioner must review each application to determine whether or not the application is complete and whether the applicant and the project are eligible for a grant. In evaluating applications, the commissioner must evaluate each application based on the following:

(1) the extent to which the applicant has demonstrated that its project is likely to contribute to increasing the number of American Indians and underrepresented populations of color entering health professions in Minnesota;

(2) the application's clarity and thoroughness in describing the challenges and barriers it is addressing;

(3) the extent to which the applicant appears likely to coordinate project efforts with other organizations;

(4) the reasonableness of the project budget; and

(5) the organizational capacity of the applicant and its partners.

The commissioner may also take into account other relevant factors. During application review the commissioner may request additional information about a proposed project, including information on project cost. Failure to provide the information requested disqualifies an applicant.

Subd. 5. **Program oversight.** The commissioner shall determine the amount of a grant to be given to an eligible applicant based on the relative strength of each eligible application and the funds available to the commissioner. The commissioner may collect from grantees any information necessary to evaluate the program.

Sec. 11. Minnesota Statutes 2010, section 144.1501, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions apply.

(b) "Dentist" means an individual who is licensed to practice dentistry.

(c) "Designated rural area" means:

~~(1) an area in Minnesota outside the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, excluding the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud; or~~

~~(2) a municipal corporation, as defined under section 471.634, that is physically located, in whole or in part, in an area defined as a designated rural area under clause (1);~~ an area defined as a small rural area or isolated rural area according to the four category classifications of the Rural Urban Commuting Area system developed for the United States Health Resources and Services Administration.

(d) "Emergency circumstances" means those conditions that make it impossible for the participant to fulfill the service commitment, including death, total and permanent disability, or temporary disability lasting more than two years.

(e) "Medical resident" means an individual participating in a medical residency in family practice, internal medicine, obstetrics and gynecology, pediatrics, or psychiatry.

(f) "Midlevel practitioner" means a nurse practitioner, nurse-midwife, nurse anesthetist, advanced clinical nurse specialist, or physician assistant.

(g) "Nurse" means an individual who has completed training and received all licensing or certification necessary to perform duties as a licensed practical nurse or registered nurse.

(h) "Nurse-midwife" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advanced practice as nurse-midwives.

(i) "Nurse practitioner" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advanced practice as nurse practitioners.

(j) "Pharmacist" means an individual with a valid license issued under chapter 151.

(k) "Physician" means an individual who is licensed to practice medicine in the areas of family practice, internal medicine, obstetrics and gynecology, pediatrics, or psychiatry.

(l) "Physician assistant" means a person licensed under chapter 147A.

(m) "Qualified educational loan" means a government, commercial, or foundation loan for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses related to the graduate or undergraduate education of a health care professional.

(n) "Underserved urban community" means a Minnesota urban area or population included in the list of designated primary medical care health professional shortage areas (HPSAs), medically underserved areas (MUAs), or medically underserved populations (MUPs) maintained and updated by the United States Department of Health and Human Services.

Sec. 12. Minnesota Statutes 2010, section 144.1501, subdivision 4, is amended to read:

Subd. 4. **Loan forgiveness.** The commissioner of health may select applicants each year for participation in the loan forgiveness program, within the limits of available funding. The commissioner shall distribute available funds for loan forgiveness proportionally among the eligible professions according to the vacancy rate for each profession in the required geographic area, facility type, teaching area, patient group, or specialty type specified in subdivision 2. The commissioner shall allocate funds for physician loan forgiveness so that 75 percent of the funds available are used for rural physician loan forgiveness and 25 percent of the funds available are used for underserved urban communities and pediatric psychiatry loan forgiveness. If the commissioner does not receive enough qualified applicants each year to use the entire allocation of funds for any eligible profession, the remaining funds may be allocated proportionally among the other eligible professions according to the vacancy rate for each profession in the required geographic area, patient group, or facility type specified in subdivision 2. Applicants are responsible for securing their own qualified educational loans. The commissioner shall select participants based on their suitability for practice serving the required geographic area or facility type specified in subdivision 2, as indicated by experience or training. The commissioner shall give preference to applicants from racial, ethnic, or cultural populations experiencing health disparities who are closest to completing their training and who agree to serve in settings in Minnesota that provide health care services to at least 50 percent American Indian or other populations of color, such as a federally recognized Native American reservation. For each year that a participant meets the service obligation required under subdivision 3, up to a maximum of four years, the commissioner shall make annual disbursements directly to the participant equivalent to 15 percent of the average educational debt for indebted graduates in their profession in the year closest to the applicant's selection for which information is available, not to exceed the balance of the participant's qualifying educational loans. Before receiving loan repayment disbursements and as requested, the participant must complete and return to the commissioner an affidavit of practice form provided by the commissioner verifying that the participant is practicing as required under subdivisions 2 and 3. The participant must provide the commissioner with verification that the full amount of loan repayment disbursement received by the participant has been applied toward the designated loans. After each disbursement, verification must be received by the commissioner and approved before the next loan repayment disbursement is made. Participants who move their practice remain eligible for loan repayment as long as they practice as required under subdivision 2.

Sec. 13. **[144.1503] HEALTH PROFESSIONS OPPORTUNITIES SCHOLARSHIP PROGRAM.**

Subdivision 1. Definitions. For purposes of this section, the following definitions apply:

(a) "Certified clinical nurse specialist" means an individual licensed in Minnesota as a registered nurse and certified by a national nurse certification organization acceptable to the Minnesota Board of Nursing to practice as a clinical nurse specialist.

(b) "Certified nurse midwife" means an individual licensed in Minnesota as a registered nurse and certified by a national nurse certification organization acceptable to the Minnesota Board of Nursing to practice as a nurse midwife.

(c) "Certified nurse practitioner" means an individual licensed in Minnesota as a registered nurse and certified by a national nurse certification organization acceptable to the Minnesota Board of Nursing to practice as a nurse practitioner.

(d) "Chiropractor" means an individual licensed and regulated under sections 148.02 to 148.108.

(e) "Dental therapist" means an individual licensed in the state and includes advanced dental therapists certified under section 150A.106.

(f) "Dentist" means an individual licensed in Minnesota as a dentist under chapter 150A.

(g) "Eligible scholarship placement site" means a nonprofit, private, or public entity located in Minnesota that provides at least 50 percent of its health care services to American Indian or other populations of color, such as federally recognized American Indian reservations.

(h) "Emergency circumstances" means those conditions that make it impossible for the participant to fulfill the contractual requirements, including death, total and permanent disability, or temporary disability lasting more than two years.

(i) "Participant" means an individual receiving a scholarship under this program.

(j) "Physician assistant" means a person licensed in Minnesota under chapter 147A.

(k) "Primary care physician" means an individual licensed in Minnesota as a physician and board-certified in family practice, internal medicine, obstetrics and gynecology, pediatrics, geriatrics, emergency medicine, hospital medicine, or psychiatry.

(l) "Registered nurse" means an individual licensed by the Minnesota Board of Nursing to practice professional nursing.

Subd. 2. Establishment and purpose. The commissioner shall establish a health professions opportunities scholarship program. The purpose of the program is to increase the number of students from racial, ethnic, or cultural populations experiencing health disparities who enter health professions.

Subd. 3. Eligible students. To be eligible to apply to the commissioner for the scholarship program, an applicant must be:

(1) accepted for full-time study in a program of study that will result in licensure as a primary care physician, certified nurse practitioner, certified nurse midwife, certified clinical nurse specialist, chiropractor, physician assistant, registered nurse, dentist, or dental therapist;

(2) a Minnesota resident; and

(3) an individual from a racial, ethnic, or cultural population experiencing health disparities in the state.

Subd. 4. Scholarship. The commissioner may award a scholarship for the cost of full tuition, fees, and living expenses up to \$40,000 per year to eligible students. The commissioner will subtract the amount of other scholarship, grant, and gift awards to the participant from the award made by this program. Scholarship awards will be limited to the number of years for full-time enrollment in the applicant's program of study but will not include any years completed prior to applying. The commissioner shall determine the number of new scholarship awards made per fiscal year based on availability of state funding. Scholarship awards will be paid by the commissioner directly to the participant's educational institution after full-time enrollment is verified. Appropriations made to the scholarship program do not cancel and are available until expended.

Subd. 5. **Obligated service.** A participant shall agree in contract to fulfill a three-year service obligation at an eligible scholar placement site upon completion of training, including residency, and obtaining Minnesota licensure. Participants must provide at least 32 hours of direct patient care per week for at least 45 weeks per year. Obligated service must start by March 31 of the year following completion of required training.

Subd. 6. **Affidavit of service required.** Before starting a service obligation and annually thereafter, participants shall submit to the commissioner an affidavit of practice signed by a representative of their eligible scholar placement site verifying employment status and the number of weekly hours of direct patient care provided by the participant. Participants must also provide written notice to the commissioner within 30 days of:

- (1) a change in name or address;
- (2) a decision not to fulfill a service obligation; or
- (3) cessation of obligated practice.

Subd. 7. **Penalty for nonfulfillment.** If a participant does not complete the educational program, successfully obtain licensure, or fulfill the required minimum commitment of service according to subdivision 6, the commissioner of health shall collect from the participant the total amount awarded to the participant under the scholarship program plus interest at a rate established according to section 270C.40. Funds collected for nonfulfillment shall be credited to the health professions opportunities scholarship program. The commissioner shall allow waivers of all or part of the money owed the commissioner as a result of a nonfulfillment penalty due to emergency circumstances.

Sec. 14. **[144.586] PATIENT SAFETY SURVEY.**

Hospitals licensed under section 144.55 must submit necessary information to the Leapfrog Group patient safety survey on an annual basis in order to publicly report patient safety information and track the progress of each hospital to improve quality, safety, and efficiency of care delivery.

Sec. 15. Minnesota Statutes 2010, section 144.98, subdivision 2a, is amended to read:

Subd. 2a. **Standards.** Notwithstanding the exemptions in subdivisions 8 and 9, the commissioner shall accredit laboratories according to the most current environmental laboratory accreditation standards under subdivision 1 and as accepted by the accreditation bodies recognized by the National Environmental Laboratory Accreditation Program (NELAP) of the NELAC Institute.

Sec. 16. Minnesota Statutes 2010, section 144.98, subdivision 7, is amended to read:

Subd. 7. **Initial accreditation and annual accreditation renewal.** (a) The commissioner shall issue or renew accreditation after receipt of the completed application and documentation required in this section, provided the laboratory maintains compliance with the standards specified in subdivision 2a, notwithstanding any exemptions under subdivisions 8 and 9, and attests to the compliance on the application form.

(b) The commissioner shall prorate the fees in subdivision 3 for laboratories applying for accreditation after December 31. The fees are prorated on a quarterly basis beginning with the quarter in which the commissioner receives the completed application from the laboratory.

(c) Applications for renewal of accreditation must be received by November 1 and no earlier than October 1 of each year. The commissioner shall send annual renewal notices to laboratories 90 days before expiration. Failure to receive a renewal notice does not exempt laboratories from meeting the annual November 1 renewal date.

(d) The commissioner shall issue all accreditations for the calendar year for which the application is made, and the accreditation shall expire on December 31 of that year.

(e) The accreditation of any laboratory that fails to submit a renewal application and fees to the commissioner expires automatically on December 31 without notice or further proceeding. Any person who operates a laboratory as accredited after expiration of accreditation or without having submitted an application and paid the fees is in violation of the provisions of this section and is subject to enforcement action under sections 144.989 to 144.993, the Health Enforcement Consolidation Act. A laboratory with expired accreditation may reapply under subdivision 6.

Sec. 17. Minnesota Statutes 2010, section 144.98, is amended by adding a subdivision to read:

Subd. 8. Exemption from national standards for quality control and personnel requirements. Effective January 1, 2012, a laboratory that analyzes samples for compliance with a permit issued under section 115.03, subdivision 5, may request exemption from the personnel requirements and specific quality control provisions for microbiology and chemistry stated in the national standards as incorporated by reference in subdivision 2a. The commissioner shall grant the exemption if the laboratory:

(1) complies with the methodology and quality control requirements, where available, in the most recent, approved edition of the Standard Methods for the Examination of Water and Wastewater as published by the Water Environment Federation; and

(2) supplies the name of the person meeting the requirements in section 115.73, or the personnel requirements in the national standard pursuant to subdivision 2a.

A laboratory applying for this exemption shall not apply for simultaneous accreditation under the national standard.

Sec. 18. Minnesota Statutes 2010, section 144.98, is amended by adding a subdivision to read:

Subd. 9. Exemption from national standards for proficiency testing frequency. (a) Effective January 1, 2012, a laboratory applying for or requesting accreditation under the exemption in subdivision 8 must obtain an acceptable proficiency test result for each of the laboratory's accredited or requested fields of testing. The laboratory must analyze proficiency samples selected from one of two annual proficiency testing studies scheduled by the commissioner.

(b) If a laboratory fails to successfully complete the first scheduled proficiency study, the laboratory shall:

(1) obtain and analyze a supplemental test sample within 15 days of receiving the test report for the initial failed attempt; and

(2) participate in the second annual study as scheduled by the commissioner.

(c) If a laboratory does not submit results or fails two consecutive proficiency samples, the commissioner will revoke the laboratory's accreditation for the affected fields of testing.

(d) The commissioner may require a laboratory to analyze additional proficiency testing samples beyond what is required in this subdivision if information available to the commissioner indicates that the laboratory's analysis for the field of testing does not meet the requirements for accreditation.

(e) The commissioner may collect from laboratories accredited under the exemption in subdivision 8 any additional costs required to administer this subdivision and subdivision 8.

Sec. 19. Minnesota Statutes 2010, section 144A.102, is amended to read:

144A.102 WAIVER FROM FEDERAL RULES AND REGULATIONS; PENALTIES.

(a) By January 2000, the commissioner of health shall work with providers to examine state and federal rules and regulations governing the provision of care in licensed nursing facilities and apply for federal waivers and identify necessary changes in state law to:

(1) allow the use of civil money penalties imposed upon nursing facilities to abate any deficiencies identified in a nursing facility's plan of correction; and

(2) stop the accrual of any fine imposed by the Health Department when a follow-up inspection survey is not conducted by the department within the regulatory deadline.

(b) By January 2012, the commissioner of health shall work with providers to examine state and federal rules and regulations governing the provision of care in licensed nursing facilities and apply for federal waivers and identify necessary changes in state law to:

(1) eliminate the requirement for written plans of correction from nursing homes for federal deficiencies issued at a scope and severity that is not widespread or in immediate jeopardy; and

(2) issue the federal survey form electronically to nursing homes.

The commissioner shall issue a report to the legislative chairs of the committees with jurisdiction over health and human services by January 31, 2012, on the status of implementation of this paragraph.

Sec. 20. Minnesota Statutes 2010, section 144A.61, is amended by adding a subdivision to read:

Subd. 9. **Electronic transmission.** The commissioner of health must accept electronic transmission of applications and supporting documentation for interstate endorsement for the nursing assistant registry.

Sec. 21. Minnesota Statutes 2010, section 144E.123, is amended to read:

144E.123 PREHOSPITAL CARE DATA.

Subdivision 1. **Collection and maintenance.** Until July 1, 2014, a licensee ~~shall~~ may collect and provide prehospital care data to the board in a manner prescribed by the board. At a minimum, the data must include items identified by the board that are part of the National Uniform Emergency Medical Services Data Set. A licensee shall maintain prehospital care data for every response.

Subd. 2. **Copy to receiving hospital.** If a patient is transported to a hospital, a copy of the ambulance report delineating prehospital medical care given shall be provided to the receiving hospital.

Subd. 3. **Review.** Prehospital care data may be reviewed by the board or its designees. The data shall be classified as private data on individuals under chapter 13, the Minnesota Government Data Practices Act.

~~Subd. 4. **Penalty.** Failure to report all information required by the board under this section shall constitute grounds for license revocation.~~

Subd. 5. **Working group.** By October 1, 2011, the board must convene a working group composed of six members, three of which must be appointed by the board and three of which must be appointed by the Minnesota Ambulance Association, to redesign the board's policies related to collection of data from licenses. The issues to be considered include, but are not limited to, the following: user-friendly reporting requirements; data sets; improved accuracy of reported information; appropriate use of information gathered through the reporting system; and methods for minimizing the financial impact of data reporting on licenses, particularly for rural volunteer services. The working group must report its findings and recommendations to the board no later than January 1, 2014.

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

Sec. 22. **[145.9271] WHITE EARTH BAND URBAN CLINIC.**

Subdivision 1. **Condition.** If the White Earth Band of Ojibwe Indians accepts the amount transferred under section 62J.692, subdivision 4, paragraph (b), clause (1), then it must use the funds for purposes of this section.

Subd. 2. **Establish urban clinic.** The White Earth Band of Ojibwe Indians shall establish and operate one or more health care clinics in the Minneapolis area or greater Minnesota to serve members of the White Earth Tribe and may use funds received under section 62J.692, subdivision 4, paragraph (b), clause (1), for application to qualify as a federally qualified health center.

Subd. 3. **Grant agreements.** Before receiving the funds to be transferred under section 62J.692, subdivision 4, paragraph (b), clause (1), the White Earth Band of Ojibwe Indians is requested to submit to the commissioner of health a work plan and budget that describes its annual plan for the funds. The commissioner will incorporate the work plan and budget into a grant agreement between the commissioner and the White Earth Band of Ojibwe Indians. Before each successive disbursement, the White Earth Band of Ojibwe Indians is requested to submit a narrative progress report and an expenditure report to the commissioner.

Sec. 23. **[145.9272] COMMUNITY MENTAL HEALTH CENTER GRANTS.**

Subdivision 1. **Definitions.** For purposes of this section, "community mental health center" means an entity that is eligible for payment under section 256B.0625, subdivision 5.

Subd. 2. **Allocation of subsidies.** The commissioner of health shall distribute, from money appropriated for this purpose, grants to community mental health centers operating in the state on July 1 of the year 2011 and each subsequent year for community mental health center services to low-income consumers and patients with mental illness. The amount of each grant shall be in proportion to each community mental health center's revenues received from state health care programs in the most recent calendar year for which data is available.

Sec. 24. Minnesota Statutes 2010, section 145.928, subdivision 2, is amended to read:

Subd. 2. **State-community partnerships; plan.** The commissioner, in partnership with culturally based community organizations; the Indian Affairs Council under section 3.922; the Council on Affairs of Chicano/Latino People under section 3.9223; the Council on Black Minnesotans under section 3.9225; the Council on Asian-Pacific Minnesotans under section 3.9226; the Alliance for Racial and Cultural Health Equity; community health boards as defined in section 145A.02; and tribal governments, shall develop and implement a comprehensive, coordinated plan to reduce health disparities in the health disparity priority areas identified in subdivision 1.

Sec. 25. **[145.929] PROFESSIONALS FROM POPULATIONS WITH HEALTH DISPARITIES.**

The commissioner of health shall survey the diversity of the work force for health-related professions and compare proportions in the allied health professions among populations experiencing health disparities, including cultural, racial, ethnic, and geographic factors, compared to the population of the state. Based on this survey, the commissioner shall determine on an annual basis the ratio of training and residency positions needed versus those available based on funding capacity.

Sec. 26. Minnesota Statutes 2010, section 145.986, is amended by adding a subdivision to read:

Subd. 7. Consultation and engagement of consumers and communities with poorer health and outcomes. Communities who receive statewide health improvement grants must demonstrate to the commissioner that the applicant or grantee consulted with and engaged local consumers, community organizations, and leaders representing the subgroups of the community that experience the greatest health disparities in the development of the local plan and that the plan incorporates components and activities that reflect the needs and preferences of these communities. The plan must also include a process for ongoing consultation and engagement of these consumers, community organizations, and leaders in the implementation of the plan and activities funded by state grants.

Sec. 27. Minnesota Statutes 2010, section 145.986, is amended by adding a subdivision to read:

Subd. 8. Coordination with payment reform demonstration projects. A community who received a health improvement plan grant under this section and a payment reform demonstration project authorized under section 256B.0755 shall coordinate activities to improve the health of the communities and patients served by both the health improvement plan and the demonstration project provider.

Sec. 28. **[145.987] COMMUNITY HEALTH CENTERS DEVELOPMENT GRANTS FOR UNDERSERVED COMMUNITIES.**

(a) The commissioner of health shall award grants from money appropriated for this purpose to expand community health centers, as defined in section 145.9269, subdivision 1, in the state through the establishment of new community health centers or sites in areas defined as small rural areas or isolated rural areas according to the four category classification of the Rural Urban Commuting Area system developed for the United States Health Resources and Services Administration or serving underserved patient populations who experience the greatest disparities in health outcomes.

(b) Grant funds may be used to pay for:

(1) costs for an organization to develop and submit a proposal to the federal government for the designation of a new community health center or site;

(2) costs of engaging underserved communities, health care providers, local government agencies, or businesses in a process of developing a plan for a new center or site to serve people in that community; and

(3) costs of planning, designing, remodeling, constructing, or purchasing equipment for a new center or site.

Funds may not be used for operating costs.

(d) A proposal must demonstrate that racial and ethnic communities to be served by the community health center were consulted with and participated in the development of the proposal.

(e) The commissioner shall award grants on a competitive basis based on the following criteria:

(1) the unmet need in the underserved community;

(2) the degree of disparities in health outcomes in the underserved community; and

(3) the extent to which people from the underserved community participated in the development of the proposal.

Sec. 29. Minnesota Statutes 2010, section 145A.17, subdivision 3, is amended to read:

Subd. 3. **Requirements for programs; process.** (a) Community health boards and tribal governments that receive funding under this section must submit a plan to the commissioner describing a multidisciplinary approach to targeted home visiting for families. The plan must be submitted on forms provided by the commissioner. At a minimum, the plan must include the following:

- (1) a description of outreach strategies to families prenatally or at birth;
- (2) provisions for the seamless delivery of health, safety, and early learning services;
- (3) methods to promote continuity of services when families move within the state;
- (4) a description of the community demographics;
- (5) a plan for meeting outcome measures; and
- (6) a proposed work plan that includes:
 - (i) coordination to ensure nonduplication of services for children and families;
 - (ii) a description of the strategies to ensure that children and families at greatest risk receive appropriate services; and
 - (iii) collaboration with multidisciplinary partners including public health, ECFE, Head Start, community health workers, social workers, community home visiting programs, school districts, and other relevant partners. Letters of intent from multidisciplinary partners must be submitted with the plan.
- (b) Each program that receives funds must accomplish the following program requirements:
 - (1) use a community-based strategy to provide preventive and early intervention home visiting services;
 - (2) offer a home visit by a trained home visitor. If a home visit is accepted, the first home visit must occur prenatally or as soon after birth as possible and must include a public health nursing assessment by a public health nurse;
 - (3) offer, at a minimum, information on infant care, child growth and development, positive parenting, preventing diseases, preventing exposure to environmental hazards, and support services available in the community;
 - (4) provide information on and referrals to health care services, if needed, including information on and assistance in applying for health care coverage for which the child or family may be eligible; and provide information on preventive services, developmental assessments, and the availability of public assistance programs as appropriate;
 - (5) provide youth development programs when appropriate;
 - (6) recruit home visitors who will represent, to the extent possible, the races, cultures, and languages spoken by families that may be served;
 - (7) train and supervise home visitors in accordance with the requirements established under subdivision 4;

(8) maximize resources and minimize duplication by coordinating or contracting with local social and human services organizations, education organizations, and other appropriate governmental entities and community-based organizations and agencies;

(9) utilize appropriate racial and ethnic approaches to providing home visiting services; and

(10) connect eligible families, as needed, to additional resources available in the community, including, but not limited to, early care and education programs, health or mental health services, family literacy programs, employment agencies, social services, and child care resources and referral agencies.

(c) When available, programs that receive funds under this section must offer or provide the family with a referral to center-based or group meetings that meet at least once per month for those families identified with additional needs. The meetings must focus on further enhancing the information, activities, and skill-building addressed during home visitation; offering opportunities for parents to meet with and support each other; and offering infants and toddlers a safe, nurturing, and stimulating environment for socialization and supervised play with qualified teachers.

(d) Funds available under this section shall not be used for medical services. The commissioner shall establish an administrative cost limit for recipients of funds. The outcome measures established under subdivision 6 must be specified to recipients of funds at the time the funds are distributed.

(e) Data collected on individuals served by the home visiting programs must remain confidential and must not be disclosed by providers of home visiting services without a specific informed written consent that identifies disclosures to be made. Upon request, agencies providing home visiting services must provide recipients with information on disclosures, including the names of entities and individuals receiving the information and the general purpose of the disclosure. Prospective and current recipients of home visiting services must be told and informed in writing that written consent for disclosure of data is not required for access to home visiting services.

(f) Upon initial contact with a family, programs that receive funding under this section must request permission from the family to share with other family service providers information about services the family is receiving and unmet needs of the family in order to select a lead agency for the family and coordinate available resources. For purposes of this paragraph, the term "family service providers" includes local public health, social services, school districts, Head Start programs, health care providers, and other public agencies.

Sec. 30. Minnesota Statutes 2010, section 157.15, is amended by adding a subdivision to read:

Subd. 21. **Limited food establishment.** "Limited food establishment" means a food establishment that is low risk, as defined by section 157.20, subdivision 2a, paragraph (c), and where the operation consists primarily of combining dry mixes and water or ice for immediate service to the consumer. Limited food establishments are exempt from the NSF International food service equipment standards and the room finish requirements of Minnesota Rules, chapter 4626.

Sec. 31. Minnesota Statutes 2010, section 157.20, is amended by adding a subdivision to read:

Subd. 5. **Waivers during inspection.** Notwithstanding any provision of this chapter or Minnesota Rules, chapter 4626, any plumbing or other facility requirement may be waived by the inspector if the inspector deems a waiver appropriate and reasonable and determines that no significant adverse effect on public health, safety, or the environment would result from such waiver.

Sec. 32. Minnesota Statutes 2010, section 297F.10, subdivision 1, is amended to read:

Subdivision 1. **Tax and use tax on cigarettes.** Revenue received from cigarette taxes, as well as related penalties, interest, license fees, and miscellaneous sources of revenue shall be deposited by the commissioner in the state treasury and credited as follows:

(1) \$22,220,000 for fiscal year 2006 and \$22,250,000 for fiscal year 2007 and each year thereafter must be credited to the Academic Health Center special revenue fund hereby created and is annually appropriated to the Board of Regents at the University of Minnesota for Academic Health Center funding at the University of Minnesota; and

(2) \$8,553,000 for fiscal year 2006 ~~and~~, \$8,550,000 for fiscal year 2007 ~~and~~, \$8,337,000 for fiscal year 2012, and \$6,781,000 each year thereafter must be credited to the medical education and research costs account hereby created in the special revenue fund and is annually appropriated to the commissioner of health for distribution under section 62J.692, subdivision 4 or 11, as appropriate; and

(3) the balance of the revenues derived from taxes, penalties, and interest (under this chapter) and from license fees and miscellaneous sources of revenue shall be credited to the general fund.

Sec. 33. **TRANSFER OF HEALTH QUALITY DATA COLLECTION.**

Subdivision 1. **Transfer.** The duties and activities of the commissioner of health conducted pursuant to Minnesota Statutes, chapter 62U, are transferred to the commissioner of human services.

Subd. 2. **Effect of transfer.** Minnesota Statutes, section 15.039 applies to the transfer required in subdivision 1.

Subd. 3. **Effective date.** The transfer required in subdivision 1 is effective July 1, 2011.

Subd. 4. **Suspended data collection.** Data collection under Minnesota Statutes, section 62U.04, subdivision 4, is suspended, effective July 1, 2011.

Subd. 5. **Commissioner of human services.** (a) During the 2012 legislative session, the commissioner of human services, in consultation with the revisor of statutes, shall submit to the legislature a bill making all statutory changes required by the reorganization required under subdivision 1.

(b) By July 1, 2013, the commissioner must make recommendations to the legislature for collection of encounter data for state health care programs, including SEGIP, through a mechanism that allows a third-party contractor to capture data as it is transmitted through existing claims processing mechanisms.

Sec. 34. **PATIENT AND COMMUNITY ENGAGEMENT IN PAYMENT REFORM AND HEALTH CARE PROGRAM REFORMS.**

Subdivision 1. **Implementation of data system improvements.** The commissioners of health and human services shall implement the recommendations regarding data on health disparities that were contained in the report prepared under Laws 2010, First Special Session chapter 1, article 19, section 23, in consultation with an advisory work group representing racial and ethnic groups and representatives of government and private sector health care organizations. Among other activities, the commissioners shall:

(1) continue engagement with diverse communities on collection of and access to racial and ethnic data from state agencies, health care providers, and health plans;

- (2) develop a plan to make data more accessible to communities;
- (3) develop consistent data elements across programs when feasible; and
- (4) develop consistent policies on data sampling.

Subd. 2. **Patient and community engagement.** The commissioner of health, in cooperation with the commissioners of human services and commerce, shall consult with an advisory committee representing racial and ethnic groups regarding the implementation of subdivision 1 and major agency activities related to state and federal health care reform, payment reform demonstration projects, state health care program reforms, improvements in quality and patient satisfaction measures, and major changes in state public health priorities and strategies. At the request of the advisory committee established under Laws 2010, First Special Session chapter 1, article 19, section 23, the commissioner shall designate a private sector organization of multiple racial and ethnic groups to serve as the advisory committee under this subdivision.

Sec. 35. **EVALUATION OF HEALTH AND HUMAN SERVICES REGULATORY RESPONSIBILITIES.**

(a) The commissioner of health, in consultation with the commissioner of human services, shall evaluate and recommend options for reorganizing health and human services regulatory responsibilities in both agencies to provide better efficiency and operational cost savings while maintaining the protection of the health, safety, and welfare of the public. Regulatory responsibilities that are to be evaluated are those found in Minnesota Statutes, chapters 62D, 62N, 62R, 62T, 144A, 144D, 144G, 146A, 146B, 149A, 153A, 245A, 245B, and 245C, and sections 62Q.19, 144.058, 144.0722, 144.50, 144.651, 148.511, 148.6401, 148.995, 256B.692, 626.556, and 626.557.

(b) The evaluation and recommendations shall be submitted in a report to the legislative committees with jurisdiction over health and human services no later than February 15, 2012, and shall include, at a minimum, the following:

- (1) whether the regulatory responsibilities of each agency should be combined into a separate agency;
- (2) whether the regulatory responsibilities of each agency should be merged into an existing agency;
- (3) what cost savings would result by merging the activities regardless of where they are located;
- (4) what additional costs would result if the activities were merged;
- (5) whether there are additional regulatory responsibilities in both agencies that should be considered in any reorganization; and
- (6) for each option recommended, projected cost and a timetable and identification of the necessary steps and requirements for a successful transition period.

Sec. 36. **TRANSFER OF THE HEALTH ECONOMICS PROGRAM.**

Subdivision 1. **Transfer.** The duties and activities of the health economics program at the Minnesota Department of Health conducted pursuant to Minnesota Statutes, chapter 62J, are transferred to the commissioner of commerce.

Subd. 2. **Effect of transfer.** Minnesota Statutes, section 15.039, applies to the transfer required in subdivision 1.

Subd. 3. **Commissioner of commerce.** During the 2012 legislative session, the commissioner of commerce, in consultation with the revisor of statutes, shall submit to the legislature a bill making all statutory changes required by the reorganization required under subdivision 1.

Subd. 4. **Effective date.** The transfer required in subdivision 1 is effective July 1, 2011.

Sec. 37. **STUDY OF FOR-PROFIT HEALTH MAINTENANCE ORGANIZATIONS.**

The commissioner of health shall contract with an entity with expertise in health economics and health care delivery and quality to study the efficiency, costs, service quality, and enrollee satisfaction of for-profit health maintenance organizations, relative to not-for-profit health maintenance organizations operating in Minnesota and other states. The study findings must address whether the state of Minnesota could: (1) reduce medical assistance and MinnesotaCare costs and costs of providing coverage to state employees; and (2) maintain or improve the quality of care provided to state health care program enrollees and state employees if for-profit health maintenance organizations were allowed to operate in the state. The commissioner shall require the entity under contract to report study findings to the commissioner and the legislature by January 15, 2012.

Sec. 38. **MINNESOTA TASK FORCE ON PREMATURETY.**

Subdivision 1. **Establishment.** The Minnesota Task Force on Prematurity is established to evaluate and make recommendations on methods for reducing prematurity and improving premature infant health care in the state.

Subd. 2. **Membership; meetings; staff.** (a) The task force shall be composed of at least the following members, who serve at the pleasure of their appointing authority:

(1) 15 representatives of the Minnesota Prematurity Coalition including, but not limited to, health care providers who treat pregnant women or neonates, organizations focused on preterm births, early childhood education and development professionals, and families affected by prematurity;

(2) one representative appointed by the commissioner of human services;

(3) two representatives appointed by the commissioner of health;

(4) one representative appointed by the commissioner of education;

(5) two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader; and

(6) two members of the senate, appointed according to the rules of the senate.

(b) Members of the task force serve without compensation or payment of expenses.

(c) The commissioner of health must convene the first meeting of the Minnesota Task Force on Prematurity by July 31, 2011. The task force must continue to meet at least quarterly. Staffing and technical assistance shall be provided by the Minnesota Perinatal Coalition.

Subd. 3. **Duties.** The task force must report the current state of prematurity in Minnesota and develop recommendations on strategies for reducing prematurity and improving premature infant health care in the state by considering the following:

(1) standards of care for premature infants born less than 37 weeks gestational age, including recommendations to improve hospital discharge and follow-up care procedures;

(2) coordination of information among appropriate professional and advocacy organizations on measures to improve health care for infants born prematurely;

(3) identification and centralization of available resources to improve access and awareness for caregivers of premature infants;

(4) development and dissemination of evidence-based practices through networking and educational opportunities;

(5) a review of relevant evidence-based research regarding the causes and effects of premature births in Minnesota;

(6) a review of relevant evidence-based research regarding premature infant health care, including methods for improving quality of and access to care for premature infants; and

(7) identification of gaps in public reporting measures and possible effects of these measures on prematurity rates.

Subd. 4. Report; expiration. (a) By November 30, 2011, the task force must submit a report on the current state of prematurity in Minnesota to the chairs of the legislative policy committees on health and human services.

(b) By January 15, 2013, the task force must report its final recommendations, including any draft legislation necessary for implementation, to the chairs of the legislative policy committees on health and human services.

(c) This task force expires on January 31, 2013, or upon submission of the final report required in paragraph (b), whichever is earlier.

Sec. 39. **NURSING HOME REGULATORY EFFICIENCY.**

The commissioner of health shall work with stakeholders to review, develop, implement, and recommend legislative changes in the nursing home licensure process that address efficiency, eliminate duplication, and ensure positive resident clinical outcomes. The commissioner shall ensure that the changes are cost-neutral.

Sec. 40. **REPEALER.**

(a) Minnesota Statutes 2010, sections 62J.17, subdivisions 1, 3, 5a, 6a, and 8; 62J.321, subdivision 5a; 62J.381; 62J.41, subdivisions 1 and 2; 144.1464; and 150A.22, are repealed.

(b) Minnesota Statutes 2010, section 145A.14, subdivisions 1 and 2, are repealed effective January 1, 2012.

(c) Minnesota Rules, parts 4651.0100, subparts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 16a, 18, 19, 20, 20a, 21, 22, and 23; 4651.0110, subparts 2, 2a, 3, 4, and 5; 4651.0120; 4651.0130; 4651.0140; and 4651.0150, are repealed effective July 1, 2011.

ARTICLE 3 HEALTH BOARDS

Section 1. Minnesota Statutes 2010, section 148.10, subdivision 7, is amended to read:

Subd. 7. **Conviction of a felony-level criminal sexual conduct offense.** (a) Except as provided in paragraph ~~(e)~~ ~~(f)~~, the board shall not grant or renew a license to practice chiropractic to any person who has been convicted on or after August 1, 2010, of any of the provisions of sections 609.342, subdivision 1, 609.343, subdivision 1, 609.344, subdivision 1, paragraphs (c) to (o), or 609.345, subdivision 1, paragraphs (b) to (o).

(b) The board shall not grant or renew a license to practice chiropractic to any person who has been convicted in any other state or country on or after August 1, 2011, of an offense where the elements of the offense are substantially similar to any of the offenses listed in paragraph (a).

~~(b)~~ (c) A license to practice chiropractic is automatically revoked if the licensee is convicted of an offense listed in paragraph (a) ~~of this section.~~

~~(c)~~ (d) A license to practice chiropractic that has been denied or revoked under this subdivision is not subject to chapter 364.

~~(d)~~ (e) For purposes of this subdivision, "conviction" means a plea of guilty, a verdict of guilty by a jury, or a finding of guilty by the court, unless the court stays imposition or execution of the sentence and final disposition of the case is accomplished at a nonfelony level.

~~(e)~~ (f) The board may establish criteria whereby an individual convicted of an offense listed in paragraph (a) of this subdivision may become licensed provided that the criteria:

(1) utilize a rebuttable presumption that the applicant is not suitable for licensing or credentialing;

(2) provide a standard for overcoming the presumption; and

(3) require that a minimum of ten years has elapsed since the applicant was released from any incarceration or supervisory jurisdiction related to the offense.

The board shall not consider an application under this paragraph if the board determines that the victim involved in the offense was a patient or a client of the applicant at the time of the offense.

Sec. 2. Minnesota Statutes 2010, section 148.231, is amended to read:

148.231 REGISTRATION; FAILURE TO REGISTER; REREGISTRATION; VERIFICATION.

Subdivision 1. **Registration.** Every person licensed to practice professional or practical nursing must maintain with the board a current registration for practice as a registered nurse or licensed practical nurse which must be renewed at regular intervals established by the board by rule. No ~~certificate of~~ registration shall be issued by the board to a nurse until the nurse has submitted satisfactory evidence of compliance with the procedures and minimum requirements established by the board.

The fee for periodic registration for practice as a nurse shall be determined by the board by ~~rule law~~. ~~A penalty fee shall be added for any application received after the required date as specified by the board by rule.~~ Upon receipt of the application and the required fees, the board shall verify the application and the evidence of completion of continuing education requirements in effect, and thereupon issue to the nurse a ~~certificate of~~ registration for the next renewal period.

Subd. 4. **Failure to register.** Any person licensed under the provisions of sections 148.171 to 148.285 who fails to register within the required period shall not be entitled to practice nursing in this state as a registered nurse or licensed practical nurse.

Subd. 5. **Reregistration.** A person whose registration has lapsed desiring to resume practice shall make application for reregistration, submit satisfactory evidence of compliance with the procedures and requirements established by the board, and pay the ~~registration~~ reregistration fee for the current period to the board. A penalty fee shall be required from a person who practiced nursing without current registration. Thereupon, ~~the~~ registration ~~certificate~~ shall be issued to the person who shall immediately be placed on the practicing list as a registered nurse or licensed practical nurse.

Subd. 6. **Verification.** A person licensed under the provisions of sections 148.171 to 148.285 who requests the board to verify a Minnesota license to another state, territory, or country or to an agency, facility, school, or institution shall pay a fee ~~to the board~~ for each verification.

Sec. 3. Minnesota Statutes 2010, section 148B.5301, subdivision 1, is amended to read:

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

(1) is at least 18 years of age;

(2) is of good moral character;

(3) has completed a master's or doctoral degree program in counseling or a related field, as determined by the board based on the criteria in items (i) to (x), that includes a minimum of 48 semester hours or 72 quarter hours and a supervised field experience in counseling that is not fewer than 700 hours. The degree must be from a counseling program recognized by the Council for Accreditation of Counseling and Related Education Programs (CACREP) or from an institution of higher education that is accredited by a regional accrediting organization recognized by the Council for Higher Education Accreditation (CHEA). Specific academic course content and training must include coursework in each of the following subject areas:

(i) helping relationship, including counseling theory and practice;

(ii) human growth and development;

(iii) lifestyle and career development;

(iv) group dynamics, processes, counseling, and consulting;

(v) assessment and appraisal;

(vi) social and cultural foundations, including multicultural issues;

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

(viii) family counseling and therapy;

(ix) research and evaluation; and

(x) professional counseling orientation and ethics;

(4) has demonstrated competence in professional counseling by passing the National Clinical Mental Health Counseling Examination (NCMHCE), administered by the National Board for Certified Counselors, Inc. (NBCC) and ethical, oral, and situational examinations as prescribed by the board. ~~In lieu of the NCMHCE, applicants who have taken and passed the National Counselor Examination (NCE) administered by the NBCC, or another board-approved examination, need only take and pass the Examination of Clinical Counseling Practice (ECCP) administered by the NBCC;~~

(5) has earned graduate-level semester credits or quarter-credit equivalents in the following clinical content areas as follows:

(i) six credits in diagnostic assessment for child or adult mental disorders; normative development; and psychopathology, including developmental psychopathology;

(ii) three credits in clinical treatment planning, with measurable goals;

(iii) six credits in clinical intervention methods informed by research evidence and community standards of practice;

(iv) three credits in evaluation methodologies regarding the effectiveness of interventions;

(v) three credits in professional ethics applied to clinical practice; and

(vi) three credits in cultural diversity; and

(6) has demonstrated successful completion of 4,000 hours of supervised, post-master's degree professional practice in the delivery of clinical services in the diagnosis and treatment of child and adult mental illnesses and disorders, conducted according to subdivision 2.

(b) If coursework in paragraph (a) was not completed as part of the degree program required by paragraph (a), clause (3), the coursework must be taken and passed for credit, and must be earned from a counseling program or institution that meets the requirements of paragraph (a), clause (3).

Sec. 4. Minnesota Statutes 2010, section 148B.5301, subdivision 3, is amended to read:

Subd. 3. **Conversion from licensed professional counselor to licensed professional clinical counselor.** (a) Until August 1, ~~2014~~ 2013, an individual currently licensed in the state of Minnesota as a licensed professional counselor may convert to a LPCC by providing evidence satisfactory to the board that the applicant has met the following requirements:

(1) is at least 18 years of age;

(2) is of good moral character;

(3) has a license that is active and in good standing;

(4) has no complaints pending, uncompleted disciplinary orders, or corrective action agreements;

(5) has completed a master's or doctoral degree program in counseling or a related field, as determined by the board, and whose degree was from a counseling program recognized by CACREP or from an institution of higher education that is accredited by a regional accrediting organization recognized by CHEA;

(6) has earned 24 graduate-level semester credits or quarter-credit equivalents in clinical coursework which includes content in the following clinical areas:

(i) diagnostic assessment for child and adult mental disorders; normative development; and psychopathology, including developmental psychopathology;

(ii) clinical treatment planning, with measurable goals;

(iii) clinical intervention methods informed by research evidence and community standards of practice;

- (iv) evaluation methodologies regarding the effectiveness of interventions;
- (v) professional ethics applied to clinical practice; and
- (vi) cultural diversity;

(7) has demonstrated, to the satisfaction of the board, successful completion of 4,000 hours of supervised, post-master's degree professional practice in the delivery of clinical services in the diagnosis and treatment of child and adult mental illnesses and disorders; and

(8) has paid the LPCC application and licensure fees required in section 148B.53, subdivision 3.

(b) If the coursework in paragraph (a) was not completed as part of the degree program required by paragraph (a), clause (5), the coursework must be taken and passed for credit, and must be earned from a counseling program or institution that meets the requirements in paragraph (a), clause (5).

(c) This subdivision expires August 1, ~~2014~~ 2013.

Sec. 5. Minnesota Statutes 2010, section 148B.5301, subdivision 4, is amended to read:

Subd. 4. **Conversion to licensed professional clinical counselor after August 1, ~~2014~~ 2013.** An individual licensed in the state of Minnesota as a licensed professional counselor may convert to a LPCC by providing evidence satisfactory to the board that the applicant has met the requirements of subdivisions 1 and 2, subject to the following:

- (1) the individual's license must be active and in good standing;
- (2) the individual must not have any complaints pending, uncompleted disciplinary orders, or corrective action agreements; and
- (3) the individual has paid the LPCC application and licensure fees required in section 148B.53, subdivision 3.

Sec. 6. Minnesota Statutes 2010, section 148B.54, subdivision 2, is amended to read:

Subd. 2. **Continuing education.** At the completion of the first four years of licensure, a licensee must provide evidence satisfactory to the board of completion of 12 additional postgraduate semester credit hours or its equivalent in counseling as determined by the board, except that no licensee shall be required to show evidence of greater than 60 semester hours or its equivalent. In addition to completing the requisite graduate coursework, each licensee shall also complete in the first four years of licensure a minimum of 40 hours of continuing education activities approved by the board under Minnesota Rules, part 2150.2540. Graduate credit hours successfully completed in the first four years of licensure may be applied to both the graduate credit requirement and to the requirement for 40 hours of continuing education activities. A licensee may receive 15 continuing education hours per semester credit hour or ten continuing education hours per quarter credit hour. Thereafter, at the time of renewal, each licensee shall provide evidence satisfactory to the board that the licensee has completed during each two-year period at least the equivalent of 40 clock hours of professional postdegree continuing education in programs approved by the board and continues to be qualified to practice under sections 148B.50 to 148B.593.

Sec. 7. Minnesota Statutes 2010, section 148B.54, subdivision 3, is amended to read:

Subd. 3. **Relicensure following termination.** An individual whose license was terminated ~~prior to August 1, 2010,~~ and who can demonstrate completion of the graduate credit requirement in subdivision 2, does not need to comply with the continuing education requirement of Minnesota Rules, part 2150.2520, subpart 4, or with the continuing education requirements for relicensure following termination in Minnesota Rules, part 2150.0130, subpart 2. This section does not apply to an individual whose license has been canceled.

Sec. 8. Minnesota Statutes 2010, section 148E.060, subdivision 1, is amended to read:

Subdivision 1. **Students and other persons not currently licensed in another jurisdiction.** (a) The board may issue a temporary license to practice social work to an applicant who is not licensed or credentialed to practice social work in any jurisdiction but has:

- (1) applied for a license under section 148E.055;
- (2) applied for a temporary license on a form provided by the board;
- (3) submitted a form provided by the board authorizing the board to complete a criminal background check;
- (4) passed the applicable licensure examination provided for in section 148E.055;

(5) attested on a form provided by the board that the applicant has completed the requirements for a baccalaureate or graduate degree in social work from a program accredited by the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar ~~accreditation~~ accrediting body designated by the board, or a doctorate in social work from an accredited university; and

(6) not engaged in conduct that was or would be in violation of the standards of practice specified in sections 148E.195 to 148E.240. If the applicant has engaged in conduct that was or would be in violation of the standards of practice, the board may take action according to sections 148E.255 to 148E.270.

(b) A temporary license issued under this subdivision expires after six months.

EFFECTIVE DATE. This section is effective August 1, 2011.

Sec. 9. Minnesota Statutes 2010, section 148E.060, subdivision 2, is amended to read:

Subd. 2. **Emergency situations and persons currently licensed in another jurisdiction.** (a) The board may issue a temporary license to practice social work to an applicant who is licensed or credentialed to practice social work in another jurisdiction, may or may not have applied for a license under section 148E.055, and has:

- (1) applied for a temporary license on a form provided by the board;
- (2) submitted a form provided by the board authorizing the board to complete a criminal background check;

(3) submitted evidence satisfactory to the board that the applicant is currently licensed or credentialed to practice social work in another jurisdiction;

(4) attested on a form provided by the board that the applicant has completed the requirements for a baccalaureate or graduate degree in social work from a program accredited by the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar ~~accreditation~~ accrediting body designated by the board, or a doctorate in social work from an accredited university; and

(5) not engaged in conduct that was or would be in violation of the standards of practice specified in sections 148E.195 to 148E.240. If the applicant has engaged in conduct that was or would be in violation of the standards of practice, the board may take action according to sections 148E.255 to 148E.270.

(b) A temporary license issued under this subdivision expires after six months.

EFFECTIVE DATE. This section is effective August 1, 2011.

Sec. 10. Minnesota Statutes 2010, section 148E.060, is amended by adding a subdivision to read:

Subd. 2a. **Programs in candidacy status.** (a) The board may issue a temporary license to practice social work to an applicant who has completed the requirements for a baccalaureate or graduate degree in social work from a program in candidacy status with the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar accrediting body designated by the board, and has:

(1) applied for a license under section 148E.055;

(2) applied for a temporary license on a form provided by the board;

(3) submitted a form provided by the board authorizing the board to complete a criminal background check;

(4) passed the applicable licensure examination provided for in section 148E.055; and

(5) not engaged in conduct that is in violation of the standards of practice specified in sections 148E.195 to 148E.240. If the applicant has engaged in conduct that is in violation of the standards of practice, the board may take action according to sections 148E.255 to 148E.270.

(b) A temporary license issued under this subdivision expires after 12 months but may be extended at the board's discretion upon a showing that the social work program remains in good standing with the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar accrediting body designated by the board. If the board receives notice from the Council on Social Work Education, the Canadian Association of Schools of Social Work, or a similar accrediting body designated by the board that the social work program is not in good standing, or that the accreditation will not be granted to the social work program, the temporary license is immediately revoked.

EFFECTIVE DATE. This section is effective August 1, 2011.

Sec. 11. Minnesota Statutes 2010, section 148E.060, subdivision 3, is amended to read:

Subd. 3. **Teachers.** (a) The board may issue a temporary license to practice social work to an applicant whose permanent residence is outside the United States, who is teaching social work at an academic institution in Minnesota for a period not to exceed 12 months, who may or may not have applied for a license under section 148E.055, and who has:

(1) applied for a temporary license on a form provided by the board;

(2) submitted a form provided by the board authorizing the board to complete a criminal background check;

(3) attested on a form provided by the board that the applicant has completed the requirements for a baccalaureate or graduate degree in social work; and

(4) has not engaged in conduct that was or would be in violation of the standards of practice specified in sections 148E.195 to 148E.240. If the applicant has engaged in conduct that was or would be in violation of the standards of practice, the board may take action according to sections 148E.255 to 148E.270.

(b) A temporary license issued under this subdivision expires after 12 months.

EFFECTIVE DATE. This section is effective August 1, 2011.

Sec. 12. Minnesota Statutes 2010, section 148E.060, subdivision 5, is amended to read:

Subd. 5. **Temporary license term.** ~~(a)~~ A temporary license is valid until expiration, or until the board issues or denies the license according to section 148E.055, or until the board revokes the temporary license, whichever comes first. A temporary license is nonrenewable.

~~(b) A temporary license issued according to subdivision 1 or 2 expires after six months.~~

~~(c) A temporary license issued according to subdivision 3 expires after 12 months.~~

EFFECTIVE DATE. This section is effective August 1, 2011.

Sec. 13. Minnesota Statutes 2010, section 148E.120, is amended to read:

148E.120 REQUIREMENTS OF SUPERVISORS.

Subdivision 1. **Supervisors licensed as social workers.** (a) Except as provided in ~~paragraph (d)~~ subdivision 2, to be eligible to provide supervision under this section, a social worker must:

(1) have completed 30 hours of training in supervision through coursework from an accredited college or university, or through continuing education in compliance with sections 148E.130 to 148E.170;

(2) be competent in the activities being supervised; and

(3) attest, on a form provided by the board, that the social worker has met the applicable requirements specified in this section and sections 148E.100 to 148E.115. The board may audit the information provided to determine compliance with the requirements of this section.

(b) A licensed independent clinical social worker providing clinical licensing supervision to a licensed graduate social worker or a licensed independent social worker must have at least 2,000 hours of experience in authorized social work practice, including 1,000 hours of experience in clinical practice after obtaining a licensed independent clinical social worker license.

(c) A licensed social worker, licensed graduate social worker, licensed independent social worker, or licensed independent clinical social worker providing nonclinical licensing supervision must have completed the supervised practice requirements specified in section 148E.100, 148E.105, 148E.106, 148E.110, or 148E.115, as applicable.

~~(d) If the board determines that supervision is not obtainable from an individual meeting the requirements specified in paragraph (a), the board may approve an alternate supervisor according to subdivision 2.~~

Subd. 2. **Alternate supervisors.** (a) ~~The board may approve an alternate supervisor if:~~ The board may approve an alternate supervisor as determined in this subdivision. The board shall approve up to 25 percent of the required supervision hours by a licensed mental health professional who is competent and qualified to provide supervision according to the mental health professional's respective licensing board, as established by section 245.462, subdivision 18, clauses (1) to (6), or 245.4871, subdivision 27, clauses (1) to (6).

~~(1) the board determines that supervision is not obtainable according to paragraph (b);~~

~~(2) the licensee requests in the supervision plan submitted according to section 148E.125, subdivision 1, that an alternate supervisor conduct the supervision;~~

~~(3) the licensee describes the proposed supervision and the name and qualifications of the proposed alternate supervisor; and~~

~~(4) the requirements of paragraph (d) are met.~~

~~(b) The board may determine that supervision is not obtainable if:~~

~~(1) the licensee provides documentation as an attachment to the supervision plan submitted according to section 148E.125, subdivision 1, that the licensee has conducted a thorough search for a supervisor meeting the applicable licensure requirements specified in sections 148E.100 to 148E.115;~~

~~(2) the licensee demonstrates to the board's satisfaction that the search was unsuccessful; and~~

~~(3) the licensee describes the extent of the search and the names and locations of the persons and organizations contacted.~~

~~(c) The requirements specified in paragraph (b) do not apply to obtaining licensing supervision for social work practice if the board determines that there are five or fewer supervisors meeting the applicable licensure requirements in sections 148E.100 to 148E.115 in the county where the licensee practices social work.~~

~~(d) An alternate supervisor must:~~

~~(1) be an unlicensed social worker who is employed in, and provides the supervision in, a setting exempt from licensure by section 148E.065, and who has qualifications equivalent to the applicable requirements specified in sections 148E.100 to 148E.115;~~

~~(2) be a social worker engaged in authorized practice in Iowa, Manitoba, North Dakota, Ontario, South Dakota, or Wisconsin, and has the qualifications equivalent to the applicable requirements specified in sections 148E.100 to 148E.115; or~~

~~(3) be a licensed marriage and family therapist or a mental health professional as established by section 245.462, subdivision 18, or 245.4871, subdivision 27, or an equivalent mental health professional, as determined by the board, who is licensed or credentialed by a state, territorial, provincial, or foreign licensing agency.~~

~~(e) In order to qualify to provide clinical supervision of a licensed graduate social worker or licensed independent social worker engaged in clinical practice, the alternate supervisor must be a mental health professional as established by section 245.462, subdivision 18, or 245.4871, subdivision 27, or an equivalent mental health professional, as determined by the board, who is licensed or credentialed by a state, territorial, provincial, or foreign licensing agency.~~

(b) The board shall approve up to 100 percent of the required supervision hours by an alternate supervisor if the board determines that:

(1) there are five or fewer supervisors in the county where the licensee practices social work who meet the applicable licensure requirements in subdivision 1;

(2) the supervisor is an unlicensed social worker who is employed in, and provides the supervision in, a setting exempt from licensure by section 148E.065, and who has qualifications equivalent to the applicable requirements specified in sections 148E.100 to 148E.115;

(3) the supervisor is a social worker engaged in authorized social work practice in Iowa, Manitoba, North Dakota, Ontario, South Dakota, or Wisconsin, and has the qualifications equivalent to the applicable requirements in sections 148E.100 to 148E.115; or

(4) the applicant or licensee is engaged in nonclinical authorized social work practice outside of Minnesota and the supervisor meets the qualifications equivalent to the applicable requirements in sections 148E.100 to 148E.115, or the supervisor is an equivalent mental health professional, as determined by the board, who is credentialed by a state, territorial, provincial, or foreign licensing agency; or

(5) the applicant or licensee is engaged in clinical authorized social work practice outside of Minnesota and the supervisor meets qualifications equivalent to the applicable requirements in section 148E.115, or the supervisor is an equivalent mental health professional, as determined by the board, who is credentialed by a state, territorial, provincial, or foreign licensing agency.

(c) In order for the board to consider an alternate supervisor under this section, the licensee must:

(1) request in the supervision plan and verification submitted according to section 148E.125 that an alternate supervisor conduct the supervision; and

(2) describe the proposed supervision and the name and qualifications of the proposed alternate supervisor. The board may audit the information provided to determine compliance with the requirements of this section.

EFFECTIVE DATE. This section is effective August 1, 2011.

Sec. 14. Minnesota Statutes 2010, section 150A.02, is amended to read:

150A.02 BOARD OF DENTISTRY.

Subdivision 1. **Generally.** There is hereby created a Board of Dentistry whose duty it shall be to carry out the purposes and enforce the provisions of sections 150A.01 to 150A.12. The board shall consist of two public members as defined by section 214.02, and the following dental professionals who are licensed and reside in Minnesota: five qualified ~~resident~~ dentists, one qualified ~~resident~~ licensed dental assistant, and one qualified ~~resident~~ dental hygienist appointed by the governor. One qualified dentist must be involved with the education, employment, or utilization of a dental therapist or an advanced dental therapist. Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of staff, administrative services and office space; the review and processing of board complaints; the setting of board fees; and other provisions relating to board operations shall be as provided in chapter 214. Each board member who is a dentist, licensed dental assistant, or dental hygienist shall have been lawfully in active practice in this state for five years immediately preceding appointment; and no board member shall be eligible for appointment to more than two consecutive four-year terms, and members serving on the board at the time of the enactment hereof shall be eligible to reappointment provided they shall not have served more than nine consecutive years at the expiration of the term to which they are to be appointed. At least 90 days prior to the expiration of the terms of dentists, licensed dental assistants, or dental hygienists, the Minnesota Dental Association, Minnesota Dental Assistants Association, or the Minnesota State Dental Hygiene Association shall recommend to the governor for each term expiring not less than two dentists, two licensed dental assistants, or two dental hygienists, respectively, who are qualified to serve on the board, and from the list so recommended the governor may appoint members to the board for the term of four years, the appointments to be made within 30 days after the expiration of the terms. Within 60 days after the occurrence of a dentist, licensed dental assistant, or dental hygienist vacancy, prior to the expiration of the term, in the board, the Minnesota Dental Association, the Minnesota Dental Assistants Association, or the Minnesota State Dental Hygiene Association shall recommend to the governor not less than two dentists, two licensed dental assistants, or two dental

hygienists, who are qualified to serve on the board and from the list so recommended the governor, within 30 days after receiving such list of dentists, may appoint one member to the board for the unexpired term occasioned by such vacancy. Any appointment to fill a vacancy shall be made within 90 days after the occurrence of such vacancy. ~~The first four-year term of the dental hygienist and of the licensed dental assistant shall commence on the first Monday in January, 1977.~~

Sec. 15. Minnesota Statutes 2010, section 150A.06, subdivision 1c, is amended to read:

Subd. 1c. **Specialty dentists.** (a) The board may grant a specialty license in the specialty areas of dentistry that are recognized by the American Dental Association.

(b) An applicant for a specialty license shall:

(1) have successfully completed a postdoctoral specialty education program accredited by the Commission on Dental Accreditation of the American Dental Association, or have announced a limitation of practice before 1967;

(2) have been certified by a specialty examining board approved by the Minnesota Board of Dentistry, or provide evidence of having passed a clinical examination for licensure required for practice in any state or Canadian province, or in the case of oral and maxillofacial surgeons only, have a Minnesota medical license in good standing;

(3) have been in active practice or a postdoctoral specialty education program or United States government service at least 2,000 hours in the 36 months prior to applying for a specialty license;

(4) if requested by the board, be interviewed by a committee of the board, which may include the assistance of specialists in the evaluation process, and satisfactorily respond to questions designed to determine the applicant's knowledge of dental subjects and ability to practice;

(5) if requested by the board, present complete records on a sample of patients treated by the applicant. The sample must be drawn from patients treated by the applicant during the 36 months preceding the date of application. The number of records shall be established by the board. The records shall be reasonably representative of the treatment typically provided by the applicant;

(6) at board discretion, pass a board-approved English proficiency test if English is not the applicant's primary language;

(7) pass all components of the National ~~Dental~~ Board Dental Examinations;

(8) pass the Minnesota Board of Dentistry jurisprudence examination;

(9) abide by professional ethical conduct requirements; and

(10) meet all other requirements prescribed by the Board of Dentistry.

(c) The application must include:

(1) a completed application furnished by the board;

(2) at least two character references from two different dentists, one of whom must be a dentist practicing in the same specialty area, and the other the director of the specialty program attended;

(3) a licensed physician's statement attesting to the applicant's physical and mental condition;

(4) a statement from a licensed ophthalmologist or optometrist attesting to the applicant's visual acuity;

(5) a nonrefundable fee; and

(6) a notarized, unmounted passport-type photograph, three inches by three inches, taken not more than six months before the date of application.

(d) A specialty dentist holding a specialty license is limited to practicing in the dentist's designated specialty area. The scope of practice must be defined by each national specialty board recognized by the American Dental Association.

(e) A specialty dentist holding a general dentist license is limited to practicing in the dentist's designated specialty area if the dentist has announced a limitation of practice. The scope of practice must be defined by each national specialty board recognized by the American Dental Association.

(f) All specialty dentists who have fulfilled the specialty dentist requirements and who intend to limit their practice to a particular specialty area may apply for a specialty license.

Sec. 16. Minnesota Statutes 2010, section 150A.06, subdivision 1d, is amended to read:

Subd. 1d. **Dental therapists.** A person of good moral character who has graduated with a baccalaureate degree or a master's degree from a dental therapy education program that has been approved by the board or accredited by the American Dental Association Commission on Dental Accreditation or another board-approved national accreditation organization may apply for licensure.

The applicant must submit an application and fee as prescribed by the board and a diploma or certificate from a dental therapy education program. Prior to being licensed, the applicant must pass a comprehensive, competency-based clinical examination that is approved by the board and administered independently of an institution providing dental therapy education. The clinical examinations for competencies for dental therapy and advanced dental therapy must be comparable to those administered to dental students for the same competencies. The applicant must also pass an examination testing the applicant's knowledge of the Minnesota laws and rules relating to the practice of dentistry. An applicant who has failed the clinical examination twice is ineligible to retake the clinical examination until further education and training are obtained as specified by the board. A separate, nonrefundable fee may be charged for each time a person applies. An applicant who passes the examination in compliance with subdivision 2b, abides by professional ethical conduct requirements, and meets all the other requirements of the board shall be licensed as a dental therapist.

Sec. 17. Minnesota Statutes 2010, section 150A.06, subdivision 3, is amended to read:

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

(b) The board shall waive the clinical examination required for licensure for any dentist applicant who is a graduate of a dental school accredited by the Commission on Dental Accreditation of the American Dental Association, who has ~~successfully completed~~ passed all components of the National ~~Dental Board Examination~~ Dental Examinations, and who has satisfactorily completed a Minnesota-based postdoctoral general dentistry residency program (GPR) or an advanced education in general dentistry (AEGD) program after January 1, 2004. The postdoctoral program must be accredited by the Commission on Dental Accreditation of the American Dental

Association, be of at least one year's duration, and include an outcome assessment evaluation assessing the resident's competence to practice dentistry. The board may require the applicant to submit any information deemed necessary by the board to determine whether the waiver is applicable. The board may waive the clinical examination for an applicant who meets the requirements of this paragraph and has satisfactorily completed an accredited postdoctoral general dentistry residency program located outside of Minnesota.

Sec. 18. Minnesota Statutes 2010, section 150A.06, subdivision 4, is amended to read:

Subd. 4. **Licensure by credentials.** (a) Any dentist or dental hygienist may, upon application and payment of a fee established by the board, apply for licensure based on the applicant's performance record in lieu of passing an examination approved by the board according to section 150A.03, subdivision 1, and be interviewed by the board to determine if the applicant:

(1) has passed all components of the National Board Dental Examinations;

~~(1)~~ (2) has been in active practice at least 2,000 hours within 36 months of the application date, or passed a board-approved reentry program within 36 months of the application date;

~~(2)~~ (3) currently has a license in another state or Canadian province and is not subject to any pending or final disciplinary action, or if not currently licensed, previously had a license in another state or Canadian province in good standing that was not subject to any final or pending disciplinary action at the time of surrender;

~~(3)~~ (4) is of good moral character and abides by professional ethical conduct requirements;

~~(4)~~ (5) at board discretion, has passed a board-approved English proficiency test if English is not the applicant's primary language; and

~~(5)~~ (6) meets other credentialing requirements specified in board rule.

(b) An applicant who fulfills the conditions of this subdivision and demonstrates the minimum knowledge in dental subjects required for licensure under subdivision 1 or 2 must be licensed to practice the applicant's profession.

(c) If the applicant does not demonstrate the minimum knowledge in dental subjects required for licensure under subdivision 1 or 2, the application must be denied. When denying a license, the board may notify the applicant of any specific remedy that the applicant could take which, when passed, would qualify the applicant for licensure. A denial does not prohibit the applicant from applying for licensure under subdivision 1 or 2.

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

Sec. 19. Minnesota Statutes 2010, section 150A.06, subdivision 6, is amended to read:

Subd. 6. **Display of name and certificates.** ~~(a) The initial license and subsequent renewal, or current registration certificate, of every dentist, a dental therapist, dental hygienist, or dental assistant shall be conspicuously displayed in every office in which that person practices, in plain sight of patients. When available from the board, the board shall allow the display of a wallet-sized initial license and wallet-sized subsequent renewal certificate only at nonprimary practice locations instead of displaying an original-sized initial license and subsequent renewal certificate.~~

(b) Near or on the entrance door to every office where dentistry is practiced, the name of each dentist practicing there, as inscribed on the current license certificate, shall be displayed in plain sight.

Sec. 20. Minnesota Statutes 2010, section 150A.09, subdivision 3, is amended to read:

Subd. 3. **Current address, change of address.** Every dentist, dental therapist, dental hygienist, and dental assistant shall maintain with the board a correct and current mailing address and electronic mail address. For dentists engaged in the practice of dentistry, the postal address shall be that of the location of the primary dental practice. Within 30 days after changing postal or electronic mail addresses, every dentist, dental therapist, dental hygienist, and dental assistant shall provide the board written notice of the new address either personally or by first class mail.

Sec. 21. Minnesota Statutes 2010, section 150A.105, subdivision 7, is amended to read:

Subd. 7. **Use of dental assistants.** (a) A licensed dental therapist may supervise dental assistants to the extent permitted in the collaborative management agreement and according to section 150A.10, subdivision 2.

(b) Notwithstanding paragraph (a), a licensed dental therapist is limited to supervising no more than four ~~registered licensed~~ licensed dental assistants or ~~nonregistered nonlicensed~~ nonlicensed dental assistants at any one practice setting.

Sec. 22. Minnesota Statutes 2010, section 150A.106, subdivision 1, is amended to read:

Subdivision 1. **General.** In order to be certified by the board to practice as an advanced dental therapist, a person must:

- (1) complete a dental therapy education program;
- (2) pass an examination to demonstrate competency under the dental therapy scope of practice;
- (3) be licensed as a dental therapist;
- (4) complete 2,000 hours of dental therapy clinical practice under direct or indirect supervision;
- (5) graduate from a master's advanced dental therapy education program;
- (6) pass a board-approved certification examination, comparable to those administered to dental students, to demonstrate competency under the advanced scope of practice; and
- (7) submit an application and fee for certification as prescribed by the board.

Sec. 23. Minnesota Statutes 2010, section 150A.14, is amended to read:

150A.14 IMMUNITY.

Subdivision 1. **Reporting immunity.** A person, health care facility, business, or organization is immune from civil liability or criminal prosecution for submitting a report in good faith to the board under section 150A.13, or for cooperating with an investigation of a report or with staff of the board relative to violations or alleged violations of section 150A.08. Reports are confidential data on individuals under section 13.02, subdivision 3, and are privileged communications.

Subd. 2. **Program Investigation immunity.** (a) Members of the board, persons employed by the board, and board consultants retained by the board are immune from civil liability and criminal prosecution for any actions, transactions, or publications in the execution of, or relating to, their duties under ~~section 150A.13~~ sections 150A.02 to 150A.21, 214.10, and 214.103.

(b) For purposes of this section, a member of the board or a consultant described in paragraph (a) is considered a state employee under section 3.736, subdivision 9.

Sec. 24. Minnesota Statutes 2010, section 214.09, is amended by adding a subdivision to read:

Subd. 5. **Health-related boards.** No current member of a health-related licensing board may seek a paid employment position with that board.

Sec. 25. Minnesota Statutes 2010, section 214.103, is amended to read:

214.103 HEALTH-RELATED LICENSING BOARDS; COMPLAINT, INVESTIGATION, AND HEARING.

Subdivision 1. **Application.** For purposes of this section, "board" means "health-related licensing board" and does not include the non-health-related licensing boards. Nothing in this section supersedes section 214.10, subdivisions 2a, 3, 8, and 9, as they apply to the health-related licensing boards.

Subd. 1a. **Notifications and resolution.** (a) No more than 14 calendar days after receiving a complaint regarding a licensee, the board shall notify the complainant that the board has received the complaint and shall provide the complainant with the written description of the board's complaint process. The board shall periodically, but no less than every 120 days, notify the complainant of the status of the complaint consistent with section 13.41.

(b) Except as provided in paragraph (d), no more than 60 calendar days after receiving a complaint regarding a licensee, the board must notify the licensee that the board has received a complaint and inform the licensee of:

(1) the substance of the complaint;

(2) the sections of the law that have allegedly been violated;

(3) the sections of the professional rules that have allegedly been violated; and

(4) whether an investigation is being conducted.

(c) The board shall periodically, but not less than every 120 days, notify the licensee of the status of the complaint consistent with section 13.41.

(d) Paragraphs (b) and (c) do not apply if the board determines that such notice would compromise the board's investigation and that such notice cannot reasonably be accomplished within this time.

(e) No more than one year after receiving a complaint regarding a licensee, the board must resolve or dismiss the complaint unless the board determines that resolving or dismissing the complaint cannot reasonably be accomplished in this time and is not in the public interest.

(f) Failure to make notifications or to resolve the complaint within the time established in this subdivision shall not deprive the board of jurisdiction to complete the investigation or to take corrective, disciplinary, or other action against the licensee that is authorized by law. Such a failure by the board shall not be the basis for a licensee's request for the board to dismiss a complaint, and shall not be considered by an administrative law judge, the board, or any reviewing court.

Subd. 2. **Receipt of complaint.** The boards shall receive and resolve complaints or other communications, whether oral or written, against regulated persons. Before resolving an oral complaint, the executive director or a board member designated by the board to review complaints ~~may~~ shall require the complainant to state the complaint in writing or authorize transcribing the complaint. The executive director or the designated board

member shall determine whether the complaint alleges or implies a violation of a statute or rule which the board is empowered to enforce. The executive director or the designated board member may consult with the designee of the attorney general as to a board's jurisdiction over a complaint. If the executive director or the designated board member determines that it is necessary, the executive director may seek additional information to determine whether the complaint is jurisdictional or to clarify the nature of the allegations by obtaining records or other written material, obtaining a handwriting sample from the regulated person, clarifying the alleged facts with the complainant, and requesting a written response from the subject of the complaint.

Subd. 3. **Referral to other agencies.** The executive director shall forward to another governmental agency any complaints received by the board which do not relate to the board's jurisdiction but which relate to matters within the jurisdiction of another governmental agency. The agency shall advise the executive director of the disposition of the complaint. A complaint or other information received by another governmental agency relating to a statute or rule which a board is empowered to enforce must be forwarded to the executive director of the board to be processed in accordance with this section. Governmental agencies may coordinate and conduct joint investigations of complaints that involve more than one governmental agency.

Subd. 4. **Role of the attorney general.** The executive director or the designated board member shall forward a complaint and any additional information to the designee of the attorney general when the executive director or the designated board member determines that a complaint is jurisdictional and:

- (1) requires investigation before the executive director or the designated board member may resolve the complaint;
- (2) that attempts at resolution for disciplinary action or the initiation of a contested case hearing is appropriate;
- (3) that an agreement for corrective action is warranted; or
- (4) that the complaint should be dismissed, consistent with subdivision 8.

Subd. 5. **Investigation by attorney general.** (a) If the executive director or the designated board member determines that investigation is necessary before resolving the complaint, the executive director shall forward the complaint and any additional information to the designee of the attorney general. The designee of the attorney general shall evaluate the communications forwarded and investigate as appropriate.

(b) The designee of the attorney general may also investigate any other complaint forwarded under subdivision 3 when the designee of the attorney general determines that investigation is necessary.

(c) In the process of evaluation and investigation, the designee shall consult with or seek the assistance of the executive director or the designated board member. The designee may also consult with or seek the assistance of other qualified persons who are not members of the board who the designee believes will materially aid in the process of evaluation or investigation.

(d) Upon completion of the investigation, the designee shall forward the investigative report to the executive director with recommendations for further consideration or dismissal.

Subd. 6. **Attempts at resolution.** (a) At any time after receipt of a complaint, the executive director or the designated board member may attempt to resolve the complaint with the regulated person. The available means for resolution include a conference or any other written or oral communication with the regulated person. A conference may be held for the purposes of investigation, negotiation, education, or conciliation. Neither the executive director nor any member of a board's staff shall be a voting member in any attempts at resolutions which may result in disciplinary or corrective action. The results of attempts at resolution with the regulated person may include a

recommendation to the board for disciplinary action, an agreement between the executive director or the designated board member and the regulated person for corrective action, or the dismissal of a complaint. If attempts at resolution are not in the public interest ~~or are not satisfactory to the executive director or the designated board member, then the executive director or the designated board member may initiate~~ a contested case hearing may be initiated.

(1) The designee of the attorney general shall represent the board in all attempts at resolution which the executive director or the designated board member anticipate may result in disciplinary action. A stipulation between the executive director or the designated board member and the regulated person shall be presented to the board for the board's consideration. An approved stipulation and resulting order shall become public data.

(2) The designee of the attorney general shall represent the board upon the request of the executive director or the designated board member in all attempts at resolution which the executive director or the designated board member anticipate may result in corrective action. Any agreement between the executive director or the designated board member and the regulated person for corrective action shall be in writing and shall be reviewed by the designee of the attorney general prior to its execution. The agreement for corrective action shall provide for dismissal of the complaint upon successful completion by the regulated person of the corrective action.

(b) Upon receipt of a complaint alleging sexual contact or sexual conduct with a client, the board must forward the complaint to the designee of the attorney general for an investigation. If, after it is investigated, the complaint appears to provide a basis for disciplinary action, the board shall resolve the complaint by disciplinary action or initiate a contested case hearing. Notwithstanding paragraph (a), clause (2), a board may not take corrective action or dismiss a complaint alleging sexual contact or sexual conduct with a client unless, in the opinion of the executive director, the designated board member, and the designee of the attorney general, there is insufficient evidence to justify disciplinary action.

Subd. 7. **Contested case hearing.** If the executive director or the designated board member determines that attempts at resolution of a complaint are not in the public interest ~~or are not satisfactory to the executive director or the designated board member,~~ the executive director or the designated board member, after consultation with the designee of the attorney general, and the concurrence of a second board member, may initiate a contested case hearing under chapter 14. The designated board member or any board member who was consulted during the course of an investigation may participate at the contested case hearing. A designated or consulted board member may not deliberate or vote in any proceeding before the board pertaining to the case.

Subd. 8. **Dismissal and reopening of a complaint.** (a) A complaint may not be dismissed without the concurrence of at least two board members and, upon the request of the complainant, a review by a representative of the attorney general's office. The designee of the attorney general must review before dismissal any complaints which allege any violation of chapter 609, any conduct which would be required to be reported under section 626.556 or 626.557, any sexual contact or sexual conduct with a client, any violation of a federal law, any actual or potential inability to practice the regulated profession or occupation by reason of illness, use of alcohol, drugs, chemicals, or any other materials, or as a result of any mental or physical condition, any violation of state medical assistance laws, or any disciplinary action related to credentialing in another jurisdiction or country which was based on the same or related conduct specified in this subdivision.

(b) The board may reopen a dismissed complaint if the board receives newly discovered information that was not available to the board during the initial investigation of the complaint, or if the board receives a new complaint that indicates a pattern of behavior or conduct.

Subd. 9. **Information to complainant.** A board shall furnish to a person who made a complaint a written description of the board's complaint process, and actions of the board relating to the complaint.

Subd. 10. **Prohibited participation by board member.** A board member who has actual bias or a current or former direct financial or professional connection with a regulated person may not vote in board actions relating to the regulated person.

Sec. 26. **[214.107] CONVICTION OF A FELONY-LEVEL CRIMINAL SEXUAL CONDUCT OFFENSE.**

Subdivision 1. **Applicability.** This section applies to the health-related licensing boards, as defined in section 214.01, subdivision 2, except the Board of Medical Practice; the Board of Chiropractic Examiners; the Board of Barber Examiners; the Board of Cosmetologist Examiners; and professions credentialed by the Minnesota Department of Health: (1) speech-language pathologists and audiologists; (2) hearing instrument dispensers; and (3) occupational therapists and occupational therapy assistants.

Subd. 2. **Issuing and renewing a credential to practice.** (a) Except as provided in paragraph (f), a credentialing authority listed in subdivision 1 shall not issue or renew a credential to practice to any person who has been convicted on or after August 1, 2011, of any of the provisions of section 609.342, subdivision 1; 609.343, subdivision 1; 609.344, subdivision 1, paragraphs (c) to (o); or 609.345, subdivision 1, paragraphs (b) to (o).

(b) A credentialing authority listed in subdivision 1 shall not issue or renew a credential to practice to any person who has been convicted in any other state or country on or after August 1, 2011, of an offense where the elements of the offense are substantially similar to any of the offenses listed in paragraph (a).

(c) A credential to practice is automatically revoked if the credentialed person is convicted of an offense listed in paragraph (a).

(d) A credential to practice that has been denied or revoked under this section is not subject to chapter 364.

(e) For purposes of this section, "conviction" means a plea of guilty, a verdict of guilty by a jury, or a finding of guilty by the court, unless the court stays imposition or execution of the sentence and final disposition of the case is accomplished at a nonfelony level.

(f) A credentialing authority listed in subdivision 1 may establish criteria whereby an individual convicted of an offense listed in paragraph (a) of this subdivision may become credentialed provided that the criteria:

(1) utilize a rebuttable presumption that the applicant is not suitable for credentialing;

(2) provide a standard for overcoming the presumption; and

(3) require that a minimum of ten years has elapsed since the applicant was released from any incarceration or supervisory jurisdiction related to the offense.

A credentialing authority listed in subdivision 1 shall not consider an application under this paragraph if the board determines that the victim involved in the offense was a patient or a client of the applicant at the time of the offense.

EFFECTIVE DATE. This section is effective for credentials issued or renewed on or after August 1, 2011.

Sec. 27. **[214.108] HEALTH-RELATED LICENSING BOARDS; LICENSEE GUIDANCE.**

A health-related licensing board may offer guidance to current licensees about the application of laws and rules the board is empowered to enforce. This guidance shall not bind any court or other adjudicatory body.

Sec. 28. **[214.109] RECORD KEEPING.**

(a) A board may take administrative action against a regulated person whose records do not meet the standards of professional practice. Records that are fraudulent or could result in patient harm may be handled through disciplinary or other corrective action.

(b) For the first offense, a board shall issue a warning to the regulated person that identifies the specific record-keeping deficiencies. The board may require the regulated person to attend a remedial class.

(c) For a second offense, a board shall require additional training as determined by the board and impose a \$50 penalty on the regulated person.

(d) For a third offense, a board shall require additional training as determined by the board and impose a \$100 penalty on the regulated person.

(e) Action under this section shall not be considered disciplinary action.

Sec. 29. Minnesota Statutes 2010, section 364.09, is amended to read:

364.09 EXCEPTIONS.

(a) This chapter does not apply to the licensing process for peace officers; to law enforcement agencies as defined in section 626.84, subdivision 1, paragraph (f); to fire protection agencies; to eligibility for a private detective or protective agent license; to the licensing and background study process under chapters 245A and 245C; to eligibility for school bus driver endorsements; to eligibility for special transportation service endorsements; to eligibility for a commercial driver training instructor license, which is governed by section 171.35 and rules adopted under that section; to emergency medical services personnel, or to the licensing by political subdivisions of taxicab drivers, if the applicant for the license has been discharged from sentence for a conviction within the ten years immediately preceding application of a violation of any of the following:

(1) sections 609.185 to 609.21, 609.221 to 609.223, 609.342 to 609.3451, or 617.23, subdivision 2 or 3;

(2) any provision of chapter 152 that is punishable by a maximum sentence of 15 years or more; or

(3) a violation of chapter 169 or 169A involving driving under the influence, leaving the scene of an accident, or reckless or careless driving.

This chapter also shall not apply to eligibility for juvenile corrections employment, where the offense involved child physical or sexual abuse or criminal sexual conduct.

(b) This chapter does not apply to a school district or to eligibility for a license issued or renewed by the Board of Teaching or the commissioner of education.

(c) Nothing in this section precludes the Minnesota Police and Peace Officers Training Board or the state fire marshal from recommending policies set forth in this chapter to the attorney general for adoption in the attorney general's discretion to apply to law enforcement or fire protection agencies.

(d) This chapter does not apply to a license to practice medicine that has been denied or revoked by the Board of Medical Practice pursuant to section 147.091, subdivision 1a.

(e) This chapter does not apply to any person who has been denied a license to practice chiropractic or whose license to practice chiropractic has been revoked by the board in accordance with section 148.10, subdivision 7.

(f) This chapter does not apply to a person who has been denied a license to practice nursing by the board or whose license has been revoked by the board pursuant to section 148.192.

(g) This chapter does not apply to any person who has been denied a credential to practice or whose credential to practice has been revoked by a credentialing authority in accordance with section 214.107.

EFFECTIVE DATE. This section is effective for credentials issued or renewed on or after August 1, 2011.

Sec. 30. Laws 2010, chapter 349, section 1, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective for ~~new~~ licenses issued or renewed on or after August 1, 2010.

Sec. 31. Laws 2010, chapter 349, section 2, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective for ~~new~~ licenses issued or renewed on or after August 1, 2010.

Sec. 32. **WORKING GROUP; PSYCHIATRIC MEDICATIONS.**

(a) The commissioner of health shall convene a working group composed of the executive directors of the Boards of Medical Practice, Psychology, Social Work, and Behavioral Health and Therapy and one representative from each professional association to make recommendations on the feasibility of developing collaborative agreements between psychiatrists and psychologists, social workers, and licensed professional clinical counselors for administration and management of psychiatric medications.

(b) The executive directors shall take the lead in setting the agenda, convening subsequent meetings, and presenting a written report to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services. The report and recommendations for legislation shall be submitted no later than January 1, 2012.

(c) The working group is not subject to the provisions of section 15.059.

Sec. 33. **REPORT.**

The executive directors of the health-related licensing boards shall issue a report to the legislature with recommendations for use of nondisciplinary cease and desist letters which can be issued to licensees when the board receives an allegation against a licensee, but the allegation does not rise to the level of a complaint, does not involve patient harm, and does not involve fraud. This report shall be issued no later than December 15, 2011.

Sec. 34. **REVISOR'S INSTRUCTION.**

In each practice act regulated by a credentialing authority listed in Minnesota Statutes, section 214.107, the revisor shall insert the following as either a new section or new subdivision:

Applicants for a credential to practice and individuals renewing a credential to practice are subject to the provisions of the conviction of felony-level criminal sexual conduct offenses in section 214.107.

Sec. 35. **REPEALER.**

Minnesota Rules, parts 6310.3100, subpart 2; 6310.3600; and 6310.3700, subpart 1, are repealed.

ARTICLE 4
MISCELLANEOUS

Section 1. Minnesota Statutes 2010, section 3.98, is amended by adding a subdivision to read:

Subd. 5. **Health note.** The commissioner of health, in consultation with other state agencies, shall develop a report and recommendations for the legislature for a process through which a health impact review of proposed legislation may be requested by a legislative committee chair and ranking minority members of the house of representatives and senate committees with jurisdiction over health and human services finance and policy issues to estimate the impact of the proposed legislation on costs of health care for public employees, state health care programs, private employers, local governments, or Minnesota individuals and families, including costs related to the impact of the legislation on the health status of the state or a community. The commissioner may consult with local and private public health organizations and other persons or organizations in the development of the report and recommendations. The report and recommendations shall be provided to the legislature by January 15, 2012.

Sec. 2. Minnesota Statutes 2010, section 245A.14, subdivision 4, is amended to read:

Subd. 4. **Special family day care homes.** Nonresidential child care programs serving 14 or fewer children that are conducted at a location other than the license holder's own residence shall be licensed under this section and the rules governing family day care or group family day care if:

(a) the license holder is the primary provider of care and the nonresidential child care program is conducted in a dwelling that is located on a residential lot;

(b) the license holder is an employer who may or may not be the primary provider of care, and the purpose for the child care program is to provide child care services to children of the license holder's employees;

(c) the license holder is a church or religious organization;

(d) the license holder is a community collaborative child care provider. For purposes of this subdivision, a community collaborative child care provider is a provider participating in a cooperative agreement with a community action agency as defined in section 256E.31; ~~or~~

(e) the license holder is a not-for-profit agency that provides child care in a dwelling located on a residential lot and the license holder maintains two or more contracts with community employers or other community organizations to provide child care services. The county licensing agency may grant a capacity variance to a license holder licensed under this paragraph to exceed the licensed capacity of 14 children by no more than five children during transition periods related to the work schedules of parents, if the license holder meets the following requirements:

(1) the program does not exceed a capacity of 14 children more than a cumulative total of four hours per day;

(2) the program meets a one to seven staff-to-child ratio during the variance period;

(3) all employees receive at least an extra four hours of training per year than required in the rules governing family child care each year;

(4) the facility has square footage required per child under Minnesota Rules, part 9502.0425;

(5) the program is in compliance with local zoning regulations;

(6) the program is in compliance with the applicable fire code as follows:

(i) if the program serves more than five children older than 2-1/2 years of age, but no more than five children 2-1/2 years of age or less, the applicable fire code is educational occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code 2003, Section 202; or

(ii) if the program serves more than five children 2-1/2 years of age or less, the applicable fire code is Group I-4 Occupancies, as provided in the Minnesota State Fire Code 2003, Section 202; and

(7) any age and capacity limitations required by the fire code inspection and square footage determinations shall be printed on the license; or

(f) the license holder is the primary provider of care and has located the licensed child care program in a commercial space, if the license holder meets the following requirements:

(1) the program is in compliance with local zoning regulations;

(2) the program is in compliance with the applicable fire code as follows:

(i) if the program serves more than five children older than 2-1/2 years of age, but no more than five children 2-1/2 years of age or less, the applicable fire code is educational occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code 2003, Section 202; or

(ii) if the program serves more than five children 2-1/2 years of age or less, the applicable fire code is Group I-4 Occupancies, as provided under the Minnesota State Fire Code 2003, Section 202;

(3) any age and capacity limitations required by the fire code inspection and square footage determinations are printed on the license; and

(4) the license holder prominently displays the license issued by the commissioner which contains the statement "This special family child care provider is not licensed as a child care center."

Sec. 3. Minnesota Statutes 2010, section 256.01, is amended by adding a subdivision to read:

Subd. 33. **Combined application form; referral of veterans.** The commissioner shall modify the combined application form to add a question asking applicants: "Are you a United States military veteran?" The commissioner shall ensure that all applicants who identify themselves as veterans are referred to a county veterans service officer for assistance in applying to the United States Department of Veterans Affairs for any benefits for which they may be eligible.

Sec. 4. Minnesota Statutes 2010, section 256B.14, is amended by adding a subdivision to read:

Subd. 3a. **Spousal contribution.** (a) For purposes of this subdivision, the following terms have the meanings given:

(1) "commissioner" means the commissioner of human services;

(2) "community spouse" means the spouse, who lives in the community, of an individual receiving long-term care services in a long-term care facility or home care services pursuant to the Medicaid waiver for elderly services under section 256B.0915 or the alternative care program under section 256B.0913. A community spouse does not include a spouse living in the community who receives a monthly income allowance under section 256B.058, subdivision 2, or who receives home care services or home and community-based services under section 256B.0915, 256B.092, or 256B.49, or the alternative care program under section 256B.0913;

(3) "cost of care" means the actual fee-for-service costs or capitated payments for the long-term care spouse;

(4) "department" means the Department of Human Services;

(5) "disabled child" means a blind or permanently and totally disabled son or daughter of any age as defined in the Supplemental Security Income program or the state medical review team;

(6) "income" means earned and unearned income, attributable to the community spouse, used to calculate the adjusted gross income on the prior year's income tax return. Evidence of income includes, but is not limited to, W-2 and 1099 forms; and

(7) "long-term care spouse" means the spouse who is receiving long-term care services in a long-term care facility or home care services pursuant to the Medicaid waiver for elderly services under section 256B.0915 or the alternative care program under section 256B.0913.

(b) The community spouse of a long-term care spouse who receives medical assistance or alternative care services has an obligation to contribute to the cost of care. The community spouse must pay a monthly fee on a sliding fee scale based on the community spouse's income. If a minor or disabled child resides with and receives care from the community spouse, then no fee shall be assessed.

(c) For a community spouse with an income equal to or greater than 250 percent of the federal poverty guidelines for a family of two and less than 545 percent of the federal poverty guidelines for a family of two, the spousal contribution shall be determined using a sliding fee scale established by the commissioner that begins at 7.5 percent of the community spouse's income and increases to 15 percent for those with an income of up to 545 percent of the federal poverty guidelines for a family of two.

(d) For a community spouse with an income equal to or greater than 545 percent of the federal poverty guidelines for a family of two and less than 750 percent of the federal poverty guidelines for a family of two, the spousal contribution shall be determined using a sliding fee scale established by the commissioner that begins at 15 percent of the community spouse's income and increases to 25 percent for those with an income of up to 750 percent of the federal poverty guidelines for a family of two.

(e) For a community spouse with an income equal to or greater than 750 percent of the federal poverty guidelines for a family of two and less than 975 percent of the federal poverty guidelines for a family of two, the spousal contribution shall be determined using a sliding fee scale established by the commissioner that begins at 25 percent of the community spouse's income and increases to 33 percent for those with an income of up to 975 percent of the federal poverty guidelines for a family of two.

(f) For a community spouse with an income equal to or greater than 975 percent of the federal poverty guidelines for a family of two, the spousal contribution shall be 33 percent of the community spouse's income.

(g) The spousal contribution shall be explained in writing at the time eligibility for medical assistance or alternative care is being determined. In addition to explaining the formula used to determine the fee, the commissioner shall provide written information describing how to request a variance for undue hardship, how a contribution may be reviewed or redetermined, the right to appeal a contribution determination, and that the consequences for not complying with a request to provide information shall be an assessment against the community spouse for the full cost of care for the long-term care spouse.

(h) The contribution shall be assessed for each month the long-term care spouse has a community spouse and is eligible for medical assistance payment of long-term care services or alternative care.

(i) The spousal contribution shall be reviewed at least once every 12 months and when there is a loss or gain in income in excess of ten percent. Thirty days prior to a review or redetermination, written notice must be provided to the community spouse and must contain the amount the spouse is required to contribute, notice of the right to redetermination and appeal, and the telephone number of the division at the department that is responsible for redetermination and review. If, after review, the contribution amount is to be adjusted, the commissioner shall mail a written notice to the community spouse 30 days in advance of the effective date of the change in the amount of the contribution.

(1) The spouse shall notify the commissioner within 30 days of a gain or loss in income in excess of ten percent and provide the department supporting documentation to verify the need for redetermination of the fee.

(2) When a spouse requests a review or redetermination of the contribution amount, a request for information shall be sent to the spouse within ten calendar days after the commissioner receives the request for review.

(3) No action shall be taken on a review or redetermination until the required information is received by the commissioner.

(4) The review of the spousal contribution shall be completed within ten days after the commissioner receives completed information that verifies a loss or gain in income in excess of ten percent.

(5) An increase in the contribution amount is effective in the month in which the increase in spousal income occurs.

(6) A decrease in the contribution amount is effective in the month the spouse verifies the reduction in income, retroactive to no longer than six months.

(j) In no case shall the spousal contribution exceed the amount of medical assistance expended or the cost of alternative care services for the care of the long-term care spouse. Annually, upon redetermination, or at termination of eligibility, the total amount of medical assistance paid or costs of alternative care for the care of the long-term care spouse and the total amount of the spousal contribution shall be compared. If the total amount of the spousal contribution exceeds the total amount of medical assistance expended or cost of alternative care, then the department shall reimburse the community spouse the excess amount if the long-term care spouse is no longer receiving services, or apply the excess amount to the spousal contribution due until the excess amount is exhausted.

(k) A community spouse may request a variance by submitting a written request and supporting documentation that payment of the calculated contribution would cause an undue hardship. An undue hardship is defined as the inability to pay the calculated contribution due to medical expenses incurred by the community spouse. Documentation must include proof of medical expenses incurred by the community spouse since the last annual redetermination of the contribution amount that are not reimbursable by any public or private source, and are a type, regardless of amount, that would be allowable as a federal tax deduction under the Internal Revenue Code.

(1) A spouse who requests a variance from a notice of an increase in the amount of spousal contribution shall continue to make monthly payments at the lower amount pending determination of the variance request. A spouse who requests a variance from the initial determination shall not be required to make a payment pending determination of the variance request. Payments made pending outcome of the variance request that result in overpayment must be returned to the spouse, if the community spouse is no longer receiving services, or applied to the spousal contribution in the current year. If the variance is denied, the spouse shall pay the additional amount due from the effective date of the increase or the total amount due from the effective date of the original notice of determination of the spousal contribution.

(2) A spouse who is granted a variance shall sign a written agreement in which the spouse agrees to report to the commissioner any changes in circumstances that gave rise to the undue hardship variance.

(3) When the commissioner receives a request for a variance, written notice of a grant or denial of the variance shall be mailed to the spouse within 30 calendar days after the commissioner receives the financial information required in this clause. The granting of a variance will necessitate a written agreement between the spouse and the commissioner with regard to the specific terms of the variance. The variance will not become effective until the written agreement is signed by the spouse. If the commissioner denies in whole or in part the request for a variance, the denial notice shall set forth in writing the reasons for the denial that address the specific hardship and right to appeal.

(4) If a variance is granted, the term of the variance shall not exceed 12 months unless otherwise determined by the commissioner.

(5) Undue hardship does not include action taken by a spouse which divested or diverted income in order to avoid being assessed a spousal contribution.

(l) A spouse aggrieved by an action under this subdivision has the right to appeal under subdivision 4. If the spouse appeals on or before the effective date of an increase in the spousal fee, the spouse shall continue to make payments to the commissioner in the lower amount while the appeal is pending. A spouse appealing an initial determination of a spousal contribution shall not be required to make monthly payments pending an appeal decision. Payments made that result in an overpayment shall be reimbursed to the spouse if the long-term care spouse is no longer receiving services, or applied to the spousal contribution remaining in the current year. If the commissioner's determination is affirmed, the community spouse shall pay within 90 calendar days of the order the total amount due from the effective date of the original notice of determination of the spousal contribution. The commissioner's order is binding on the spouse and the department and shall be implemented subject to section 256.045, subdivision 7. No additional notice is required to enforce the commissioner's order.

(m) If the commissioner finds that notice of the payment obligation was given to the community spouse and the spouse was determined to be able to pay, but that the spouse failed or refused to pay, a cause of action exists against the community spouse for that portion of medical assistance payment of long-term care services or alternative care services granted after notice was given to the community spouse. The action may be brought by the commissioner in the county where assistance was granted for the assistance together with the costs of disbursements incurred due to the action. In addition to granting the commissioner a money judgment, the court may, upon a motion or order to show cause, order continuing contributions by a community spouse found able to repay the commissioner. The order shall be effective only for the period of time during which a contribution shall be assessed.

Sec. 5. Minnesota Statutes 2010, section 326B.175, is amended to read:

326B.175 ELEVATORS, ENTRANCES SEALED.

Except as provided in section 326B.188, it shall be the duty of the department and the licensing authority of any municipality which adopts any such ordinance whenever it finds any such elevator under its jurisdiction in use in violation of any provision of sections 326B.163 to 326B.178 to seal the entrances of such elevator and attach a notice forbidding the use of such elevator until the provisions thereof are complied with.

Sec. 6. **326B.188] COMPLIANCE WITH ELEVATOR CODE CHANGES.**

(a) This section applies to code requirements for existing elevators and related devices under Minnesota Rules, chapter 1307, where the deadline set by law for meeting the code requirements is January 29, 2012, or later.

(b) If the department or municipality conducting elevator inspections within its jurisdiction notifies the owner of an existing elevator or related device of the code requirements before the effective date of this section, the owner may submit a compliance plan by December 30, 2011. If the department or municipality does not notify the owner of an existing elevator or related device of the code requirements before the effective date of this section, the department or municipality shall notify the owner of the code requirements and permit the owner to submit a compliance plan by December 30, 2011, or within 60 days after the date of notification, whichever is later.

(c) Any compliance plan submitted under this section must result in compliance with the code requirements by the later of January 29, 2012, or three years after submission of the compliance plan. Elevators and related devices that are not in compliance with the code requirements by the later of January 29, 2012, or three years after the submission of the compliance plan may be taken out of service as provided in section 326B.175.

Sec. 7. **DEVELOPMENTAL DISABILITY WAIVERED SERVICES.**

Subdivision 1. **Purpose.** All individuals in the state of Minnesota who are eligible for developmental disability waived services are entitled to receive adequate services, within the limits of available funding, to ensure their basic needs for housing, food, health, and safety are met.

Subd. 2. **Instructions to commissioner.** (a) No later than November 1, 2011, the commissioner of human services shall convene a workgroup to define the essential services required to adequately meet the needs of individuals who receive developmental disability waived services. The commissioner shall identify the essential services in each of the following tiers:

- (1) tier 1, services and costs associated with safety, food, housing, and health care;
- (2) tier 2, services and costs associated with enhancements toward self-sufficiency; and
- (3) tier 3, services and costs associated with quality of life improvements.

(b) The commissioner, or designee, and a representative designated by the counties shall cochair the workgroup. The workgroup shall consider Tier 1 services to be the most important and of highest priority for available funds, and may choose to implement a policy that all waiver-eligible individuals receive Tier 1 services within the limits of available funding before services from Tier 2 or 3 are offered to waiver-eligible individuals.

Sec. 8. **ANALYSIS OF PROGRAMS AND THEIR EFFECT ON MARRIAGES; REPORT.**

(a) The commissioner of human services shall conduct an analysis of how current human services programs affect the motivation and capacity of individuals to form and sustain marriages in which to raise children. Programs to be examined in this marriage impact analysis may include, but are not limited to, medical assistance, MinnesotaCare, Minnesota family investment program, child protection, child support enforcement, and child welfare services.

(b) Before January 1, 2012, the commissioner shall submit a report to the legislature describing the results of this analysis and outline proposals to improve the ability of human services programs to help people who are interested in marriage to form and sustain marriages in which to raise children. The commissioner shall ensure that experts on marriage are consulted on the process of conducting the analysis and writing the report.

Sec. 9. **INSTRUCTIONS TO COMMISSIONER.**

To offset the cost of implementing Minnesota Statutes, section 256B.14, subdivision 3a, the commissioner of human services shall collect from each county its proportionate share of the cost based on population of the county. At the end of each fiscal year, the commissioner shall divide ten percent of all collections made under Minnesota Statutes, section 256B.14, subdivision 3a, between the counties based on the population of the county.

Sec. 10. **LEGISLATIVE APPROVAL FOR FEDERAL FUNDS.**

The commissioners of human services and health shall not expend any funding received through federal grants or subsequent renewal of federal grants without the approval of three of the four chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance.

ARTICLE 5
HEALTH LICENSING FEES

Section 1. Minnesota Statutes 2010, section 148.07, subdivision 1, is amended to read:

Subdivision 1. **Renewal fees.** All persons practicing chiropractic within this state, or licensed so to do, shall pay, on or before the date of expiration of their licenses, to the Board of Chiropractic Examiners a renewal fee set ~~by the board~~ in accordance with section 16A.1283, with a penalty ~~set by the board~~ for each month or portion thereof for which a license fee is in arrears and upon payment of the renewal and upon compliance with all the rules of the board, shall be entitled to renewal of their license.

Sec. 2. Minnesota Statutes 2010, section 148.108, is amended by adding a subdivision to read:

Subd. 4. **Animal chiropractic.** (a) Animal chiropractic registration fee is \$125.

(b) Animal chiropractic registration renewal fee is \$75.

(c) Animal chiropractic inactive renewal fee is \$25.

Sec. 3. Minnesota Statutes 2010, section 148.191, subdivision 2, is amended to read:

Subd. 2. **Powers.** (a) The board is authorized to adopt and, from time to time, revise rules not inconsistent with the law, as may be necessary to enable it to carry into effect the provisions of sections 148.171 to 148.285. The board shall prescribe by rule curricula and standards for schools and courses preparing persons for licensure under sections 148.171 to 148.285. It shall conduct or provide for surveys of such schools and courses at such times as it may deem necessary. It shall approve such schools and courses as meet the requirements of sections 148.171 to 148.285 and board rules. It shall examine, license, and renew the license of duly qualified applicants. It shall hold examinations at least once in each year at such time and place as it may determine. It shall by rule adopt, evaluate, and periodically revise, as necessary, requirements for licensure and for registration and renewal of registration as defined in section 148.231. It shall maintain a record of all persons licensed by the board to practice professional or practical nursing and all registered nurses who hold Minnesota licensure and registration and are certified as advanced practice registered nurses. It shall cause the prosecution of all persons violating sections 148.171 to 148.285 and have power to incur such necessary expense therefor. It shall register public health nurses who meet educational and other requirements established by the board by rule, including payment of a fee. ~~Prior to the adoption of rules, the board shall use the same procedures used by the Department of Health to certify public health nurses.~~ It shall have power to issue subpoenas, and to compel the attendance of witnesses and the production of all necessary documents and other evidentiary material. Any board member may administer oaths to witnesses, or take their affirmation. It shall keep a record of all its proceedings.

(b) The board shall have access to hospital, nursing home, and other medical records of a patient cared for by a nurse under review. If the board does not have a written consent from a patient permitting access to the patient's records, the nurse or facility shall delete any data in the record that identifies the patient before providing it to the board. The board shall have access to such other records as reasonably requested by the board to assist the board in its investigation. Nothing herein may be construed to allow access to any records protected by section 145.64. The board shall maintain any records obtained pursuant to this paragraph as investigative data under chapter 13.

(c) The board may accept and expend grants or gifts of money or in-kind services from a person, a public or private entity, or any other source for purposes consistent with the board's role and within the scope of its statutory authority.

(d) The board may accept registration fees for meetings and conferences conducted for the purposes of board activities that are within the scope of its authority.

Sec. 4. Minnesota Statutes 2010, section 148.212, subdivision 1, is amended to read:

Subdivision 1. **Issuance.** Upon receipt of the applicable licensure or reregistration fee and permit fee, and in accordance with rules of the board, the board may issue a nonrenewable temporary permit to practice professional or practical nursing to an applicant for licensure or reregistration who is not the subject of a pending investigation or disciplinary action, nor disqualified for any other reason, under the following circumstances:

~~(a) The applicant for licensure by examination under section 148.211, subdivision 1, has graduated from an approved nursing program within the 60 days preceding board receipt of an affidavit of graduation or transcript and has been authorized by the board to write the licensure examination for the first time in the United States. The permit holder must practice professional or practical nursing under the direct supervision of a registered nurse. The permit is valid from the date of issue until the date the board takes action on the application or for 60 days whichever occurs first.~~

~~(b) The applicant for licensure by endorsement under section 148.211, subdivision 2, is currently licensed to practice professional or practical nursing in another state, territory, or Canadian province. The permit is valid from submission of a proper request until the date of board action on the application or for 60 days, whichever comes first.~~

~~(c) (b) The applicant for licensure by endorsement under section 148.211, subdivision 2, or for reregistration under section 148.231, subdivision 5, is currently registered in a formal, structured refresher course or its equivalent for nurses that includes clinical practice.~~

~~(d) The applicant for licensure by examination under section 148.211, subdivision 1, who graduated from a nursing program in a country other than the United States or Canada has completed all requirements for licensure except registering for and taking the nurse licensure examination for the first time in the United States. The permit holder must practice professional nursing under the direct supervision of a registered nurse. The permit is valid from the date of issue until the date the board takes action on the application or for 60 days, whichever occurs first.~~

Sec. 5. Minnesota Statutes 2010, section 148.231, is amended to read:

148.231 REGISTRATION; FAILURE TO REGISTER; REREGISTRATION; VERIFICATION.

Subdivision 1. **Registration.** Every person licensed to practice professional or practical nursing must maintain with the board a current registration for practice as a registered nurse or licensed practical nurse which must be renewed at regular intervals established by the board by rule. No certificate of registration shall be issued by the board to a nurse until the nurse has submitted satisfactory evidence of compliance with the procedures and minimum requirements established by the board.

The fee for periodic registration for practice as a nurse shall be determined by the board by rule law. A penalty fee shall be added for any application received after the required date as specified by the board by rule. Upon receipt of the application and the required fees, the board shall verify the application and the evidence of completion of continuing education requirements in effect, and thereupon issue to the nurse a certificate of registration for the next renewal period.

Subd. 4. **Failure to register.** Any person licensed under the provisions of sections 148.171 to 148.285 who fails to register within the required period shall not be entitled to practice nursing in this state as a registered nurse or licensed practical nurse.

Subd. 5. **Reregistration.** A person whose registration has lapsed desiring to resume practice shall make application for reregistration, submit satisfactory evidence of compliance with the procedures and requirements established by the board, and pay the ~~registration~~ reregistration fee for the current period to the board. A penalty fee shall be required from a person who practiced nursing without current registration. Thereupon, ~~the~~ registration ~~certificate~~ shall be issued to the person who shall immediately be placed on the practicing list as a registered nurse or licensed practical nurse.

Subd. 6. **Verification.** A person licensed under the provisions of sections 148.171 to 148.285 who requests the board to verify a Minnesota license to another state, territory, or country or to an agency, facility, school, or institution shall pay a fee ~~to the board~~ for each verification.

Sec. 6. **[148.242] FEES.**

The fees specified in section 148.243 are nonrefundable and must be deposited in the state government special revenue fund.

Sec. 7. **[148.243] FEE AMOUNTS.**

Subdivision 1. **Licensure by examination.** The fee for licensure by examination is \$105.

Subd. 2. **Reexamination fee.** The reexamination fee is \$60.

Subd. 3. **Licensure by endorsement.** The fee for licensure by endorsement is \$105.

Subd. 4. **Registration renewal.** The fee for registration renewal is \$85.

Subd. 5. **Reregistration.** The fee for reregistration is \$105.

Subd. 6. **Replacement license.** The fee for a replacement license is \$20.

Subd. 7. **Public health nurse certification.** The fee for public health nurse certification is \$30.

Subd. 8. **Drug Enforcement Administration verification for Advanced Practice Registered Nurse (APRN).** The Drug Enforcement Administration verification for APRN is \$50.

Subd. 9. **Licensure verification other than through Nursys.** The fee for verification of licensure status other than through Nursys verification is \$20.

Subd. 10. **Verification of examination scores.** The fee for verification of examination scores is \$20.

Subd. 11. **Microfilmed licensure application materials.** The fee for a copy of microfilmed licensure application materials is \$20.

Subd. 12. **Nursing business registration; initial application.** The fee for the initial application for nursing business registration is \$100.

Subd. 13. **Nursing business registration; annual application.** The fee for the annual application for nursing business registration is \$25.

Subd. 14. **Practicing without current registration.** The fee for practicing without current registration is two times the amount of the current registration renewal fee for any part of the first calendar month, plus the current registration renewal fee for any part of any subsequent month up to 24 months.

Subd. 15. **Practicing without current APRN certification.** The fee for practicing without current APRN certification is \$200 for the first month or any part thereof, plus \$100 for each subsequent month or part thereof.

Subd. 16. **Dishonored check fee.** The service fee for a dishonored check is as provided in section 604.113.

Subd. 17. **Border state registry fee.** The initial application fee for border state registration is \$50. Any subsequent notice of employment change to remain or be reinstated on the registry is \$50.

Sec. 8. Minnesota Statutes 2010, section 148B.17, is amended to read:

148B.17 FEES.

Subdivision. 1. **Fees; Board of Marriage and Family Therapy.** ~~Each board shall by rule establish~~ The board's fees, including late fees, for licenses and renewals are established so that the total fees collected by the board will as closely as possible equal anticipated expenditures during the fiscal biennium, as provided in section 16A.1285. Fees must be credited to ~~accounts~~ the board's account in the state government special revenue fund.

Subd. 2. **Licensure and application fees.** Nonrefundable licensure and application fees charged by the board are as follows:

(1) application fee for national examination is \$220;

(2) application fee for Licensed Marriage and Family Therapist (LMFT) state examination is \$110;

(3) initial LMFT license fee is prorated, but cannot exceed \$125;

(4) annual renewal fee for LMFT license is \$125;

(5) late fee for initial Licensed Associate Marriage and Family Therapist LAMFT license renewal is \$50;

(6) application fee for LMFT licensure by reciprocity is \$340;

(7) fee for initial Licensed Associate Marriage and Family Therapist (LAMFT) license is \$75;

(8) annual renewal fee for LAMFT license is \$75;

(9) late fee for LAMFT renewal is \$50;

(10) fee for reinstatement of license is \$150; and

(11) fee for emeritus status is \$125.

Subd. 3. **Other fees.** Other fees charged by the board are as follows:

(1) sponsor application fee for approval of a continuing education course is \$60;

(2) fee for license verification by mail is \$10;

(3) duplicate license fee is \$25;

(4) duplicate renewal card fee is \$10;

(5) fee for licensee mailing list is \$60;

(6) fee for a rule book is \$10; and

(7) fees as authorized by section 148B.175, subdivision 6, clause (7).

Sec. 9. Minnesota Statutes 2010, section 148B.33, subdivision 2, is amended to read:

Subd. 2. **Fee.** Each applicant shall pay a nonrefundable application fee ~~set by the board~~ under section 148B.17.

Sec. 10. Minnesota Statutes 2010, section 148B.52, is amended to read:

148B.52 DUTIES OF THE BOARD.

(a) The Board of Behavioral Health and Therapy shall:

(1) establish by rule appropriate techniques, including examinations and other methods, for determining whether applicants and licensees are qualified under sections 148B.50 to 148B.593;

(2) establish by rule standards for professional conduct, including adoption of a Code of Professional Ethics and requirements for continuing education and supervision;

(3) issue licenses to individuals qualified under sections 148B.50 to 148B.593;

(4) establish by rule standards for initial education including coursework for licensure and content of professional education;

(5) establish, maintain, and publish annually a register of current licensees and approved supervisors;

(6) establish initial and renewal application and examination fees sufficient to cover operating expenses of the board and its agents in accordance with section 16A.1283;

(7) educate the public about the existence and content of the laws and rules for licensed professional counselors to enable consumers to file complaints against licensees who may have violated the rules; and

(8) periodically evaluate its rules in order to refine the standards for licensing professional counselors and to improve the methods used to enforce the board's standards.

(b) The board may appoint a professional discipline committee for each occupational licensure regulated by the board, and may appoint a board member as chair. The professional discipline committee shall consist of five members representative of the licensed occupation and shall provide recommendations to the board with regard to rule techniques, standards, procedures, and related issues specific to the licensed occupation.

Sec. 11. Minnesota Statutes 2010, section 150A.091, subdivision 2, is amended to read:

Subd. 2. **Application fees.** Each applicant shall submit with a license, advanced dental therapist certificate, or permit application a nonrefundable fee in the following amounts in order to administratively process an application:

- (1) dentist, \$140;
- (2) full faculty dentist, \$140;
- ~~(2)~~ (3) limited faculty dentist, \$140;
- ~~(3)~~ (4) resident dentist or dental provider, \$55;
- (5) advanced dental therapist, \$100;
- ~~(4)~~ (6) dental therapist, \$100;
- ~~(5)~~ (7) dental hygienist, \$55;
- ~~(6)~~ (8) licensed dental assistant, \$55; and
- ~~(7)~~ (9) dental assistant with a permit as described in Minnesota Rules, part 3100.8500, subpart 3, \$15.

Sec. 12. Minnesota Statutes 2010, section 150A.091, subdivision 3, is amended to read:

Subd. 3. **Initial license or permit fees.** Along with the application fee, each of the following applicants shall submit a separate prorated initial license or permit fee. The prorated initial fee shall be established by the board based on the number of months of the applicant's initial term as described in Minnesota Rules, part 3100.1700, subpart 1a, not to exceed the following monthly fee amounts:

- (1) dentist or full faculty dentist, \$14 times the number of months of the initial term;
- (2) dental therapist, \$10 times the number of months of the initial term;
- (3) dental hygienist, \$5 times the number of months of the initial term;
- (4) licensed dental assistant, \$3 times the number of months of the initial term; and
- (5) dental assistant with a permit as described in Minnesota Rules, part 3100.8500, subpart 3, \$1 times the number of months of the initial term.

Sec. 13. Minnesota Statutes 2010, section 150A.091, subdivision 4, is amended to read:

Subd. 4. **Annual license fees.** Each limited faculty or resident dentist shall submit with an annual license renewal application a fee established by the board not to exceed the following amounts:

- (1) limited faculty dentist, \$168; and
- (2) resident dentist or dental provider, \$59.

Sec. 14. Minnesota Statutes 2010, section 150A.091, subdivision 5, is amended to read:

Subd. 5. **Biennial license or permit fees.** Each of the following applicants shall submit with a biennial license or permit renewal application a fee as established by the board, not to exceed the following amounts:

- (1) dentist or full faculty dentist, \$336;
- (2) dental therapist, \$180;
- (3) dental hygienist, \$118;
- (4) licensed dental assistant, \$80; and
- (5) dental assistant with a permit as described in Minnesota Rules, part 3100.8500, subpart 3, \$24.

Sec. 15. Minnesota Statutes 2010, section 150A.091, subdivision 8, is amended to read:

Subd. 8. **Duplicate license or certificate fee.** Each applicant shall submit, with a request for issuance of a duplicate of the original license, or of an annual or biennial renewal certificate for a license or permit, a fee in the following amounts:

- (1) original dentist, full faculty dentist, dental therapist, dental hygiene, or dental assistant license, \$35; and
- (2) annual or biennial renewal certificates, \$10.

Sec. 16. Minnesota Statutes 2010, section 150A.091, is amended by adding a subdivision to read:

Subd. 16. **Failure of professional development portfolio audit.** A licensee shall submit a fee as established by the board not to exceed the amount of \$250 after failing two consecutive professional development portfolio audits and, thereafter, for each failed professional development portfolio audit under Minnesota Rules, part 3100.5300.

Sec. 17. **[151.065] FEE AMOUNTS.**

Subdivision 1. **Application fees.** Application fees for licensure and registration are as follows:

- (1) pharmacist licensed by examination, \$130;
- (2) pharmacist licensed by reciprocity, \$225;
- (3) pharmacy intern, \$30;
- (4) pharmacy technician, \$30;
- (5) pharmacy, \$190;
- (6) drug wholesaler, legend drugs only, \$200;
- (7) drug wholesaler, legend and nonlegend drugs, \$200;
- (8) drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, \$175;

(9) drug wholesaler, medical gases, \$150;

(10) drug wholesaler, also licensed as a pharmacy in Minnesota, \$125;

(11) drug manufacturer, legend drugs only, \$200;

(12) drug manufacturer, legend and nonlegend drugs, \$200;

(13) drug manufacturer, nonlegend or veterinary legend drugs, \$175;

(14) drug manufacturer, medical gases, \$150;

(15) drug manufacturer, also licensed as a pharmacy in Minnesota, \$125;

(16) medical gas distributor, \$75;

(17) controlled substance researcher, \$50; and

(18) pharmacy professional corporation, \$100.

Subd. 2. **Original license fee.** The pharmacist original licensure fee, \$130.

Subd. 3. **Annual renewal fees.** Annual licensure and registration renewal fees are as follows:

(1) pharmacist, \$130;

(2) pharmacy technician, \$30;

(3) pharmacy, \$190;

(4) drug wholesaler, legend drugs only, \$200;

(5) drug wholesaler, legend and nonlegend drugs, \$200;

(6) drug wholesaler, nonlegend drugs, veterinary legend drugs, or both, \$175;

(7) drug wholesaler, medical gases, \$150;

(8) drug wholesaler, also licensed as a pharmacy in Minnesota, \$125;

(9) drug manufacturer, legend drugs only, \$200;

(10) drug manufacturer, legend and nonlegend drugs, \$200;

(11) drug manufacturer, nonlegend, veterinary legend drugs, or both, \$175;

(12) drug manufacturer, medical gases, \$150;

(13) drug manufacturer, also licensed as a pharmacy in Minnesota, \$125;

(14) medical gas distributor, \$75;

(15) controlled substance researcher, \$50; and

(16) pharmacy professional corporation, \$45.

Subd. 4. **Miscellaneous fees.** Fees for issuance of affidavits and duplicate licenses and certificates are as follows:

(1) intern affidavit, \$15;

(2) duplicate small license, \$15; and

(3) duplicate large certificate, \$25.

Subd. 5. **Late fees.** All annual renewal fees are subject to a 50 percent late fee if the renewal fee and application are not received by the board prior to the date specified by the board.

Subd. 6. **Reinstatement fees.** (a) A pharmacist who has allowed the pharmacist's license to lapse may reinstate the license with board approval and upon payment of any fees and late fees in arrears, up to a maximum of \$1,000.

(b) A pharmacy technician who has allowed the technician's registration to lapse may reinstate the registration with board approval and upon payment of any fees and late fees in arrears, up to a maximum of \$90.

(c) An owner of a pharmacy, a drug wholesaler, a drug manufacturer, or a medical gas distributor who has allowed the license of the establishment to lapse may reinstate the license with board approval and upon payment of any fees and late fees in arrears.

(d) A controlled substance researcher who has allowed the researcher's registration to lapse may reinstate the registration with board approval and upon payment of any fees and late fees in arrears.

(e) A pharmacist owner of a professional corporation who has allowed the corporation's registration to lapse may reinstate the registration with board approval and upon payment of any fees and late fees in arrears.

Sec. 18. Minnesota Statutes 2010, section 151.07, is amended to read:

151.07 MEETINGS; EXAMINATION FEE.

The board shall meet at times as may be necessary and as it may determine to examine applicants for licensure and to transact its other business, giving reasonable notice of all examinations by mail to known applicants therefor. The secretary shall record the names of all persons licensed by the board, together with the grounds upon which the right of each to licensure was claimed. The fee for examination shall be in ~~such the amount as the board may determine~~ such the amount as the board may determine specified in section 151.065, which fee may in the discretion of the board be returned to applicants not taking the examination.

Sec. 19. Minnesota Statutes 2010, section 151.101, is amended to read:

151.101 INTERNSHIP.

Upon payment of the fee specified in section 151.065, the board may ~~license~~ register as an intern any natural persons who have satisfied the board that they are of good moral character, not physically or mentally unfit, and who have successfully completed the educational requirements for intern ~~licensure~~ registration prescribed by the board. The board shall prescribe standards and requirements for interns, pharmacist-preceptors, and internship training but may not require more than one year of such training.

The board in its discretion may accept internship experience obtained in another state provided the internship requirements in such other state are in the opinion of the board equivalent to those herein provided.

Sec. 20. Minnesota Statutes 2010, section 151.102, is amended by adding a subdivision to read:

Subd. 3. **Registration fee.** The board shall not register an individual as a pharmacy technician unless all applicable fees specified in section 151.065 have been paid.

Sec. 21. Minnesota Statutes 2010, section 151.12, is amended to read:

151.12 RECIPROCITY; LICENSURE.

The board may in its discretion grant licensure without examination to any pharmacist licensed by the Board of Pharmacy or a similar board of another state which accords similar recognition to licensees of this state; provided, the requirements for licensure in such other state are in the opinion of the board equivalent to those herein provided. The fee for licensure shall be in such the amount as the board may determine by rule specified in section 151.065.

Sec. 22. Minnesota Statutes 2010, section 151.13, subdivision 1, is amended to read:

Subdivision 1. **Renewal fee.** Every person licensed by the board as a pharmacist shall pay to the board a the annual renewal fee to be fixed by it specified in section 151.065. The board may promulgate by rule a charge to be assessed for the delinquent payment of a fee. the late fee specified in section 151.065 if the renewal fee and application are not received by the board prior to the date specified by the board. It shall be unlawful for any person licensed as a pharmacist who refuses or fails to pay such any applicable renewal or late fee to practice pharmacy in this state. Every certificate and license shall expire at the time therein prescribed.

Sec. 23. Minnesota Statutes 2010, section 151.19, is amended to read:

151.19 REGISTRATION; FEES.

Subdivision 1. **Pharmacy registration.** The board shall require and provide for the annual registration of every pharmacy now or hereafter doing business within this state. Upon the payment of a any applicable fee to be set by the board specified in section 151.065, the board shall issue a registration certificate in such form as it may prescribe to such persons as may be qualified by law to conduct a pharmacy. Such certificate shall be displayed in a conspicuous place in the pharmacy for which it is issued and expire on the 30th day of June following the date of issue. It shall be unlawful for any person to conduct a pharmacy unless such certificate has been issued to the person by the board.

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 payment of any applicable fee specified in section 151.065 and 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;

(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, the resident's authorized representative, or a contract pharmacy or licensed health care facility acting on behalf 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.

Subd. 3. **Sale of federally restricted medical gases.** The board shall require and provide for the annual registration of every person or establishment not licensed as a pharmacy or a practitioner engaged in the retail sale or distribution of federally restricted medical gases. Upon the payment of a any applicable fee ~~to be set by the board specified in section 151.065~~, the board shall issue a registration certificate in such form as it may prescribe to those persons or places that may be qualified to sell or distribute federally restricted medical gases. The certificate shall be displayed in a conspicuous place in the business for which it is issued and expire on the date set by the board. It is unlawful for a person to sell or distribute federally restricted medical gases unless a certificate has been issued to that person by the board.

Sec. 24. Minnesota Statutes 2010, section 151.25, is amended to read:

151.25 REGISTRATION OF MANUFACTURERS; FEE; PROHIBITIONS.

The board shall require and provide for the annual registration of every person engaged in manufacturing drugs, medicines, chemicals, or poisons for medicinal purposes, now or hereafter doing business with accounts in this state. Upon a payment of a any applicable fee ~~as set by the board specified in section 151.065~~, the board shall issue a registration certificate in such form as it may prescribe to such manufacturer. Such registration certificate shall be displayed in a conspicuous place in such manufacturer's or wholesaler's place of business for which it is issued and expire on the date set by the board. It shall be unlawful for any person to manufacture drugs, medicines, chemicals, or poisons for medicinal purposes unless such a certificate has been issued to the person by the board. It shall be unlawful for any person engaged in the manufacture of drugs, medicines, chemicals, or poisons for medicinal purposes, or the person's agent, to sell legend drugs to other than a pharmacy, except as provided in this chapter.

Sec. 25. Minnesota Statutes 2010, section 151.47, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** All wholesale drug distributors are subject to the requirements in paragraphs (a) to (f).

(a) No person or distribution outlet shall act as a wholesale drug distributor without first obtaining a license from the board and paying ~~the required~~ any applicable fee specified in section 151.065.

(b) No license shall be issued or renewed for a wholesale drug distributor to operate unless the applicant agrees to operate in a manner prescribed by federal and state law and according to the rules adopted by the board.

(c) The board may require a separate license for each facility directly or indirectly owned or operated by the same business entity within the state, or for a parent entity with divisions, subsidiaries, or affiliate companies within the state, when operations are conducted at more than one location and joint ownership and control exists among all the entities.

(d) As a condition for receiving and retaining a wholesale drug distributor license issued under sections 151.42 to 151.51, an applicant shall satisfy the board that it has and will continuously maintain:

(1) adequate storage conditions and facilities;

(2) minimum liability and other insurance as may be required under any applicable federal or state law;

(3) a viable security system that includes an after hours central alarm, or comparable entry detection capability; restricted access to the premises; comprehensive employment applicant screening; and safeguards against all forms of employee theft;

(4) a system of records describing all wholesale drug distributor activities set forth in section 151.44 for at least the most recent two-year period, which shall be reasonably accessible as defined by board regulations in any inspection authorized by the board;

(5) principals and persons, including officers, directors, primary shareholders, and key management executives, who must at all times demonstrate and maintain their capability of conducting business in conformity with sound financial practices as well as state and federal law;

(6) complete, updated information, to be provided to the board as a condition for obtaining and retaining a license, about each wholesale drug distributor to be licensed, including all pertinent corporate licensee information, if applicable, or other ownership, principal, key personnel, and facilities information found to be necessary by the board;

(7) written policies and procedures that assure reasonable wholesale drug distributor preparation for, protection against, and handling of any facility security or operation problems, including, but not limited to, those caused by natural disaster or government emergency, inventory inaccuracies or product shipping and receiving, outdated product or other unauthorized product control, appropriate disposition of returned goods, and product recalls;

(8) sufficient inspection procedures for all incoming and outgoing product shipments; and

(9) operations in compliance with all federal requirements applicable to wholesale drug distribution.

(e) An agent or employee of any licensed wholesale drug distributor need not seek licensure under this section.

(f) A wholesale drug distributor shall file with the board an annual report, in a form and on the date prescribed by the board, identifying all payments, honoraria, reimbursement or other compensation authorized under section 151.461, clauses (3) to (5), paid to practitioners in Minnesota during the preceding calendar year. The report shall identify the nature and value of any payments totaling \$100 or more, to a particular practitioner during the year, and shall identify the practitioner. Reports filed under this provision are public data.

Sec. 26. Minnesota Statutes 2010, section 151.48, is amended to read:

151.48 OUT-OF-STATE WHOLESALE DRUG DISTRIBUTOR LICENSING.

(a) It is unlawful for an out-of-state wholesale drug distributor to conduct business in the state without first obtaining a license from the board and paying ~~the required~~ any applicable fee specified in section 151.065.

(b) Application for an out-of-state wholesale drug distributor license under this section shall be made on a form furnished by the board.

(c) No person acting as principal or agent for any out-of-state wholesale drug distributor may sell or distribute drugs in the state unless the distributor has obtained a license.

(d) The board may adopt regulations that permit out-of-state wholesale drug distributors to obtain a license on the basis of reciprocity to the extent that an out-of-state wholesale drug distributor:

(1) possesses a valid license granted by another state under legal standards comparable to those that must be met by a wholesale drug distributor of this state as prerequisites for obtaining a license under the laws of this state; and

(2) can show that the other state would extend reciprocal treatment under its own laws to a wholesale drug distributor of this state.

Sec. 27. Minnesota Statutes 2010, section 152.12, subdivision 3, is amended to read:

Subd. 3. **Research project use of controlled substances.** Any qualified person may use controlled substances in the course of a bona fide research project but cannot administer or dispense such drugs to human beings unless such drugs are prescribed, dispensed and administered by a person lawfully authorized to do so. Every person who engages in research involving the use of such substances shall apply annually for registration by the state Board of Pharmacy and shall pay any applicable fee specified in section 151.065, provided that such registration shall not be required if the person is covered by and has complied with federal laws covering such research projects.

ARTICLE 6
HEALTH CARE

Section 1. Minnesota Statutes 2010, section 62E.08, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The association shall establish the following maximum premiums to be charged for membership in the comprehensive health insurance plan:

(a) the premium for the number one qualified plan shall range from a minimum of 101 percent to a maximum of 125 percent of the weighted average of rates charged by those insurers and health maintenance organizations with individuals enrolled in:

(1) \$1,000 annual deductible individual plans of insurance in force in Minnesota;

(2) individual health maintenance organization contracts of coverage with a \$1,000 annual deductible which are in force in Minnesota; and

(3) other plans of coverage similar to plans offered by the association based on generally accepted actuarial principles;

(b) the premium for the number two qualified plan shall range from a minimum of 101 percent to a maximum of 125 percent of the weighted average of rates charged by those insurers and health maintenance organizations with individuals enrolled in:

- (1) \$500 annual deductible individual plans of insurance in force in Minnesota;
- (2) individual health maintenance organization contracts of coverage with a \$500 annual deductible which are in force in Minnesota; and
- (3) other plans of coverage similar to plans offered by the association based on generally accepted actuarial principles;

(c) the premiums for the plans with a \$2,000, \$5,000, or \$10,000 annual deductible shall range from a minimum of 101 percent to a maximum of 125 percent of the weighted average of rates charged by those insurers and health maintenance organizations with individuals enrolled in:

- (1) \$2,000, \$5,000, or \$10,000 annual deductible individual plans, respectively, in force in Minnesota; and
- (2) individual health maintenance organization contracts of coverage with a \$2,000, \$5,000, or \$10,000 annual deductible, respectively, which are in force in Minnesota; or
- (3) other plans of coverage similar to plans offered by the association based on generally accepted actuarial principles;

(d) the premium for each type of Medicare supplement plan required to be offered by the association pursuant to section 62E.12 shall range from a minimum of 101 percent to a maximum of 125 percent of the weighted average of rates charged by those insurers and health maintenance organizations with individuals enrolled in:

- (1) Medicare supplement plans in force in Minnesota;
- (2) health maintenance organization Medicare supplement contracts of coverage which are in force in Minnesota; and
- (3) other plans of coverage similar to plans offered by the association based on generally accepted actuarial principles; ~~and~~

(e) the charge for health maintenance organization coverage shall be based on generally accepted actuarial principles; and

(f) the premium for a high-deductible, basic plan offered under section 62E.121 shall range from a minimum of 101 percent to a maximum of 125 percent of the weighted average of rates charged by those insurers and health maintenance organizations offering comparable plans outside of the Minnesota Comprehensive Health Association.

The list of insurers and health maintenance organizations whose rates are used to establish the premium for coverage offered by the association pursuant to paragraphs (a) to (d) and (f) shall be established by the commissioner on the basis of information which shall be provided to the association by all insurers and health maintenance organizations annually at the commissioner's request. This information shall include the number of individuals covered by each type of plan or contract specified in paragraphs (a) to (d) and (f) that is sold, issued, and renewed by the insurers and health maintenance organizations, including those plans or contracts available only on a renewal basis. The information shall also include the rates charged for each type of plan or contract.

In establishing premiums pursuant to this section, the association shall utilize generally accepted actuarial principles, provided that the association shall not discriminate in charging premiums based upon sex. In order to compute a weighted average for each type of plan or contract specified under paragraphs (a) to (d) and (f), the association shall, using the information collected pursuant to this subdivision, list insurers and health maintenance organizations in rank order of the total number of individuals covered by each insurer or health maintenance organization. The association shall then compute a weighted average of the rates charged for coverage by all the insurers and health maintenance organizations by:

- (1) multiplying the numbers of individuals covered by each insurer or health maintenance organization by the rates charged for coverage;
- (2) separately summing both the number of individuals covered by all the insurers and health maintenance organizations and all the products computed under clause (1); and
- (3) dividing the total of the products computed under clause (1) by the total number of individuals covered.

The association may elect to use a sample of information from the insurers and health maintenance organizations for purposes of computing a weighted average. In no case, however, may a sample used by the association to compute a weighted average include information from fewer than the two insurers or health maintenance organizations highest in rank order.

Sec. 2. **[62E.121] HIGH-DEDUCTIBLE, BASIC PLAN.**

Subdivision 1. **Required offering.** The Minnesota Comprehensive Health Association shall offer a high-deductible, basic plan that meets the requirements specified in this section. The high-deductible, basic plan is a one-person plan. Any dependents must be covered separately.

Subd. 2. **Annual deductible; out-of-pocket maximum.** (a) The plan shall provide the following in-network annual deductible options: \$3,000, \$6,000, \$9,000, and \$12,000. The in-network annual out-of-pocket maximum for each annual deductible option shall be \$1,000 greater than the amount of the annual deductible.

(b) The deductible is subject to an annual increase based on the change in the Consumer Price Index (CPI).

Subd. 3. **Office visits for nonpreventive care.** The following co-payments shall apply for each of the first three office visits per calendar year for nonpreventive care:

- (1) \$30 per visit for the \$3,000 annual deductible option;
- (2) \$40 per visit for the \$6,000 annual deductible option;
- (3) \$50 per visit for the \$9,000 annual deductible option; and
- (4) \$60 per visit for the \$12,000 annual deductible option.

For the fourth and subsequent visits during the calendar year, 80 percent coverage is provided under all deductible options, after the deductible is met.

Subd. 4. **Preventive care.** One hundred percent coverage is provided for preventive care, and no co-payment, coinsurance, or deductible requirements apply.

Subd. 5. **Prescription drugs.** A \$10 co-payment applies to preferred generic drugs. Preferred brand-name drugs require an enrollee payment of 100 percent of the health plan's discounted rate.

Subd. 6. **Convenience care center visits.** A \$20 co-payment applies for the first three convenience care center visits during a calendar year. For the fourth and subsequent visits during a calendar year, 80 percent coverage is provided after the deductible is met.

Subd. 7. **Urgent care center visits.** A \$100 co-payment applies for the first urgent care center visit during a calendar year. For the second and subsequent visits during a calendar year, 80 percent coverage is provided after the deductible is met.

Subd. 8. **Emergency room visits.** A \$200 co-payment applies for the first emergency room visit during a calendar year. For the second and subsequent visits during a calendar year, 80 percent coverage is provided after the deductible is met.

Subd. 9. **Lab and x-ray; hospital services; ambulance; surgery.** Lab and x-ray services, hospital services, ambulance services, and surgery are covered at 80 percent after the deductible is met.

Subd. 10. **Eyewear.** The health plan pays up to \$50 per calendar year for eyewear.

Subd. 11. **Maternity.** Maternity, labor and delivery, and postpartum care are not covered. One hundred percent coverage is provided for prenatal care and no deductible applies.

Subd. 12. **Other eligible health care services.** Other eligible health care services are covered at 80 percent after the deductible is met.

Subd. 13. **Option to remove mental health and substance abuse coverage.** Enrollees have the option of removing mental health and substance abuse coverage in exchange for a reduced premium.

Subd. 14. **Option to upgrade prescription drug coverage.** Enrollees have the option to upgrade prescription drug coverage to include coverage for preferred brand-name drugs with a \$50 co-payment and coverage for nonpreferred drugs with a \$100 co-payment in exchange for an increased premium.

Subd. 15. **Out-of-network services.** (a) The out-of-network annual deductible is double the in-network annual deductible.

(b) There is no out-of-pocket maximum for out-of-network services.

(c) Benefits for out-of-network services are covered at 60 percent after the deductible is met.

(d) The lifetime maximum benefit for out-of-network services is \$1,000,000.

Subd. 16. **Services not covered.** Services not covered include: custodial care or rest care; most dental services; cosmetic services; refractive eye surgery; infertility services; and services that are investigational, not medically necessary, or received while on military duty.

Sec. 3. Minnesota Statutes 2010, section 62E.14, is amended by adding a subdivision to read:

Subd. 4f. **Waiver of preexisting conditions for persons covered by healthy Minnesota contribution program.** A person may enroll in the comprehensive plan with a waiver of the preexisting condition limitation in subdivision 3 if the person is eligible for the healthy Minnesota contribution program, and has been denied coverage as described under section 256L.031, subdivision 6.

Sec. 4. Minnesota Statutes 2010, section 62J.04, subdivision 9, is amended to read:

Subd. 9. **Growth limits; federal programs.** The commissioners of health and human services shall establish a rate methodology for Medicare and Medicaid risk-based contracting with health plan companies that is consistent with statewide growth limits. ~~The methodology shall be presented for review by the Minnesota Health Care Commission and the Legislative Commission on Health Care Access prior to the submission of a waiver request to the Centers for Medicare and Medicaid Services and subsequent implementation of the methodology.~~

Sec. 5. Minnesota Statutes 2010, section 62J.692, subdivision 9, is amended to read:

Subd. 9. **Review of eligible providers.** The commissioner and the Medical Education and Research Costs Advisory Committee may review provider groups included in the definition of a clinical medical education program to assure that the distribution of the funds continue to be consistent with the purpose of this section. The results of any such reviews must be reported to the ~~Legislative Commission on Health Care Access chairs and ranking minority members of the legislative committees with jurisdiction over health care policy and finance.~~

Sec. 6. **[62J.824] BILLING FOR PROCEDURES TO CORRECT MEDICAL ERRORS PROHIBITED.**

A health care provider shall not bill a patient, and shall not be reimbursed, for any operation, treatment, or other care that is provided to reverse, correct, or otherwise minimize the affects of an adverse health care event, as described in section 144.7065, subdivisions 2 to 7, for which that health care provider is responsible.

Sec. 7. Minnesota Statutes 2010, section 62Q.32, is amended to read:

62Q.32 LOCAL OMBUDSPERSON.

County board or community health service agencies may establish an office of ombudsperson to provide a system of consumer advocacy for persons receiving health care services through a health plan company. The ombudsperson's functions may include, but are not limited to:

(a) mediation or advocacy on behalf of a person accessing the complaint and appeal procedures to ensure that necessary medical services are provided by the health plan company; and

(b) investigation of the quality of services provided to a person and determine the extent to which quality assurance mechanisms are needed or any other system change may be needed. ~~The commissioner of health shall make recommendations for funding these functions including the amount of funding needed and a plan for distribution. The commissioner shall submit these recommendations to the Legislative Commission on Health Care Access by January 15, 1996.~~

Sec. 8. Minnesota Statutes 2010, section 62U.04, subdivision 3, is amended to read:

Subd. 3. **Provider peer grouping.** (a) The commissioner shall develop a peer grouping system for providers based on a combined measure that incorporates both provider risk-adjusted cost of care and quality of care, and for specific conditions as determined by the commissioner. In developing this system, the commissioner shall consult and coordinate with health care providers, health plan companies, state agencies, and organizations that work to improve health care quality in Minnesota. For purposes of the final establishment of the peer grouping system, the commissioner shall not contract with any private entity, organization, or consortium of entities that has or will have a direct financial interest in the outcome of the system.

(b) By no later than October 15, 2010, the commissioner shall disseminate information to providers on their total cost of care, total resource use, total quality of care, and the total care results of the grouping developed under this subdivision in comparison to an appropriate peer group. Any analyses or reports that identify providers may only be

published after the provider has been provided the opportunity by the commissioner to review the underlying data and submit comments. Providers may be given any data for which they are the subject of the data. The provider shall have 30 days to review the data for accuracy and initiate an appeal as specified in paragraph (d).

(c) By no later than January 1, 2011, the commissioner shall disseminate information to providers on their condition-specific cost of care, condition-specific resource use, condition-specific quality of care, and the condition-specific results of the grouping developed under this subdivision in comparison to an appropriate peer group. Any analyses or reports that identify providers may only be published after the provider has been provided the opportunity by the commissioner to review the underlying data and submit comments. Providers may be given any data for which they are the subject of the data. The provider shall have 30 days to review the data for accuracy and initiate an appeal as specified in paragraph (d).

(d) The commissioner shall establish an appeals process to resolve disputes from providers regarding the accuracy of the data used to develop analyses or reports. When a provider appeals the accuracy of the data used to calculate the peer grouping system results, the provider shall:

(1) clearly indicate the reason they believe the data used to calculate the peer group system results are not accurate;

(2) provide evidence and documentation to support the reason that data was not accurate; and

(3) cooperate with the commissioner, including allowing the commissioner access to data necessary and relevant to resolving the dispute.

If a provider does not meet the requirements of this paragraph, a provider's appeal shall be considered withdrawn. The commissioner shall not publish results for a specific provider under paragraph (e) or (f) while that provider has an unresolved appeal.

(e) Beginning January 1, 2011, the commissioner shall, no less than annually, publish information on providers' total cost, total resource use, total quality, and the results of the total care portion of the peer grouping process. The results that are published must be on a risk-adjusted basis.

(f) Beginning March 30, 2011, the commissioner shall no less than annually publish information on providers' condition-specific cost, condition-specific resource use, and condition-specific quality, and the results of the condition-specific portion of the peer grouping process. The results that are published must be on a risk-adjusted basis.

(g) Prior to disseminating data to providers under paragraph (b) or (c) or publishing information under paragraph (e) or (f), the commissioner shall ensure the scientific validity and reliability of the results according to the standards described in paragraph (h). If additional time is needed to establish the scientific validity and reliability of the results, the commissioner may delay the dissemination of data to providers under paragraph (b) or (c), or the publication of information under paragraph (e) or (f). If the delay is more than 60 days, the commissioner shall report in writing to the Legislative Commission on Health Care Access chairs and ranking minority members of the legislative committees with jurisdiction over health care policy and finance the following information:

(1) the reason for the delay;

(2) the actions being taken to resolve the delay and establish the scientific validity and reliability of the results; and

(3) the new dates by which the results shall be disseminated.

If there is a delay under this paragraph, the commissioner must disseminate the information to providers under paragraph (b) or (c) at least 90 days before publishing results under paragraph (e) or (f).

(h) The commissioner's assurance of valid and reliable clinic and hospital peer grouping performance results shall include, at a minimum, the following:

(1) use of the best available evidence, research, and methodologies; and

(2) establishment of an explicit minimum reliability threshold developed in collaboration with the subjects of the data and the users of the data, at a level not below nationally accepted standards where such standards exist.

In achieving these thresholds, the commissioner shall not aggregate clinics that are not part of the same system or practice group. The commissioner shall consult with and solicit feedback from representatives of physician clinics and hospitals during the peer grouping data analysis process to obtain input on the methodological options prior to final analysis and on the design, development, and testing of provider reports.

Sec. 9. Minnesota Statutes 2010, section 62U.04, subdivision 9, is amended to read:

Subd. 9. **Uses of information.** (a) ~~By no later than~~ As coverage is offered, sold, issued, or renewed, but not less than 12 months after the commissioner publishes the information in subdivision 3, paragraph (e):

(1) the commissioner of management and budget shall use the information and methods developed under subdivision 3 to strengthen incentives for members of the state employee group insurance program to use high-quality, low-cost providers;

(2) all political subdivisions, as defined in section 13.02, subdivision 11, that offer health benefits to their employees must offer plans that differentiate providers on their cost and quality performance and create incentives for members to use better-performing providers;

(3) all health plan companies shall use the information and methods developed under subdivision 3 to develop products that encourage consumers to use high-quality, low-cost providers; and

(4) health plan companies that issue health plans in the individual market or the small employer market must offer at least one health plan that uses the information developed under subdivision 3 to establish financial incentives for consumers to choose higher-quality, lower-cost providers through enrollee cost-sharing or selective provider networks.

(b) By January 1, 2011, the commissioner of health shall report to the governor and the legislature on recommendations to encourage health plan companies to promote widespread adoption of products that encourage the use of high-quality, low-cost providers. The commissioner's recommendations may include tax incentives, public reporting of health plan performance, regulatory incentives or changes, and other strategies.

Sec. 10. Minnesota Statutes 2010, section 62U.06, subdivision 2, is amended to read:

Subd. 2. **Legislative oversight.** Beginning January 15, 2009, the commissioner of health shall submit to the ~~Legislative Commission on Health Care Access~~ chairs and ranking minority members of the legislative committees with jurisdiction over health care policy and finance periodic progress reports on the implementation of this chapter and sections 256B.0751 to 256B.0754.

Sec. 11. Minnesota Statutes 2010, section 256.01, is amended by adding a subdivision to read:

Subd. 33. **Contingency contract fees.** When the commissioner enters into a contingency-based contract for the purpose of recovering medical assistance or MinnesotaCare funds, the commissioner may retain that portion of the recovered funds equal to the amount of the contingency fee.

Sec. 12. Minnesota Statutes 2010, section 256.01, is amended by adding a subdivision to read:

Subd. 34. **Elimination of certain provider reporting requirements; sunset of new requirements.** (a) Notwithstanding any other law, rule, or provision to the contrary, effective July 1, 2012, the commissioner shall cease collecting from health care providers and purchasers all reports and data related to health care costs, quality, utilization, access, patient encounters, and disease surveillance and public health, and related to provider licensure, monitoring, finances, and regulation, unless the reports or data are necessary for federal compliance. For purposes of this subdivision, the term "health care providers and purchasers" has the meaning provided in section 62J.03, subdivision 8, except that it also includes nursing homes, health plan companies as defined in section 62Q.01, subdivision 4, and managed care and county-based purchasing plans delivering services under sections 256B.69 and 256B.692.

(b) The commissioner shall present to the 2012 legislature draft legislation to repeal, effective July 1, 2012, the provider reporting requirements identified under paragraph (a) that are not necessary for federal compliance.

(c) The commissioner may establish new provider reporting requirements to take effect on or after July 1, 2012. These new reporting requirements must sunset five years from their effective date, unless they are renewed by the commissioner. All new provider reporting requirements and requests for their renewal shall not take effect unless they are enacted in state law.

Sec. 13. Minnesota Statutes 2010, section 256.969, subdivision 2b, is amended to read:

Subd. 2b. Operating payment rates. In determining operating payment rates for admissions occurring on or after the rate year beginning January 1, 1991, and every two years after, or more frequently as determined by the commissioner, the commissioner shall obtain operating data from an updated base year and establish operating payment rates per admission for each hospital based on the cost-finding methods and allowable costs of the Medicare program in effect during the base year. Rates under the general assistance medical care, medical assistance, and MinnesotaCare programs shall not be rebased to more current data on January 1, 1997, January 1, 2005, for the first 24 months of the rebased period beginning January 1, 2009. For the first 24 months of the rebased period beginning January 1, 2011, rates shall not be rebased, except that a Minnesota long-term hospital shall be rebased effective January 1, 2011, based on its most recent Medicare cost report ending on or before September 1, 2008, with the provisions under subdivisions 9 and 23, based on the rates in effect on December 31, 2010. For subsequent rate setting periods in which the base years are updated, a Minnesota long-term hospital's base year shall remain within the same period as other hospitals. ~~Effective January 1, 2013, rates shall be rebased at full value~~ Rates must not be rebased to more current data for the first six months of the rebased period beginning January 1, 2013. The base year operating payment rate per admission is standardized by the case mix index and adjusted by the hospital cost index, relative values, and disproportionate population adjustment. The cost and charge data used to establish operating rates shall only reflect inpatient services covered by medical assistance and shall not include property cost information and costs recognized in outlier payments.

Sec. 14. Minnesota Statutes 2010, section 256.969, subdivision 3a, is amended to read:

Subd. 3a. Payments. (a) Acute care hospital billings under the medical assistance program must not be submitted until the recipient is discharged. However, the commissioner shall establish monthly interim payments for inpatient hospitals that have individual patient lengths of stay over 30 days regardless of diagnostic category.

Except as provided in section 256.9693, medical assistance reimbursement for treatment of mental illness shall be reimbursed based on diagnostic classifications. Individual hospital payments established under this section and sections 256.9685, 256.9686, and 256.9695, in addition to third-party and recipient liability, for discharges occurring during the rate year shall not exceed, in aggregate, the charges for the medical assistance covered inpatient services paid for the same period of time to the hospital. This payment limitation shall be calculated separately for medical assistance and general assistance medical care services. The limitation on general assistance medical care shall be effective for admissions occurring on or after July 1, 1991. Services that have rates established under subdivision 11 or 12, must be limited separately from other services. After consulting with the affected hospitals, the commissioner may consider related hospitals one entity and may merge the payment rates while maintaining separate provider numbers. The operating and property base rates per admission or per day shall be derived from the best Medicare and claims data available when rates are established. The commissioner shall determine the best Medicare and claims data, taking into consideration variables of recency of the data, audit disposition, settlement status, and the ability to set rates in a timely manner. The commissioner shall notify hospitals of payment rates by December 1 of the year preceding the rate year. The rate setting data must reflect the admissions data used to establish relative values. Base year changes from 1981 to the base year established for the rate year beginning January 1, 1991, and for subsequent rate years, shall not be limited to the limits ending June 30, 1987, on the maximum rate of increase under subdivision 1. The commissioner may adjust base year cost, relative value, and case mix index data to exclude the costs of services that have been discontinued by the October 1 of the year preceding the rate year or that are paid separately from inpatient services. Inpatient stays that encompass portions of two or more rate years shall have payments established based on payment rates in effect at the time of admission unless the date of admission preceded the rate year in effect by six months or more. In this case, operating payment rates for services rendered during the rate year in effect and established based on the date of admission shall be adjusted to the rate year in effect by the hospital cost index.

(b) For fee-for-service admissions occurring on or after July 1, 2002, the total payment, before third-party liability and spenddown, made to hospitals for inpatient services is reduced by .5 percent from the current statutory rates.

(c) In addition to the reduction in paragraph (b), the total payment for fee-for-service admissions occurring on or after July 1, 2003, made to hospitals for inpatient services before third-party liability and spenddown, is reduced five percent from the current statutory rates. Mental health services within diagnosis related groups 424 to 432, and facilities defined under subdivision 16 are excluded from this paragraph.

(d) In addition to the reduction in paragraphs (b) and (c), the total payment for fee-for-service admissions occurring on or after August 1, 2005, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 6.0 percent from the current statutory rates. Mental health services within diagnosis related groups 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph. Notwithstanding section 256.9686, subdivision 7, for purposes of this paragraph, medical assistance does not include general assistance medical care. Payments made to managed care plans shall be reduced for services provided on or after January 1, 2006, to reflect this reduction.

(e) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for fee-for-service admissions occurring on or after July 1, 2008, through June 30, 2009, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 3.46 percent from the current statutory rates. Mental health services with diagnosis related groups 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after January 1, 2009, through June 30, 2009, to reflect this reduction.

(f) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for fee-for-service admissions occurring on or after July 1, 2009, through June 30, 2011, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 1.9 percent from the current statutory rates. Mental health services with

diagnosis related groups 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after July 1, 2009, through June 30, 2011, to reflect this reduction.

(g) In addition to the reductions in paragraphs (b), (c), and (d), the total payment for fee-for-service admissions occurring on or after July 1, 2011, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 1.79 percent from the current statutory rates. Mental health services with diagnosis related groups 424 to 432 and facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after July 1, 2011, to reflect this reduction.

(h) In addition to the reductions in paragraphs (b), (c), (d), (f), and (g), the total payment for fee-for-service admissions occurring on or after July 1, 2009, made to hospitals for inpatient services before third-party liability and spenddown, is reduced one percent from the current statutory rates. Facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after October 1, 2009, to reflect this reduction.

(i) In addition to the reductions in paragraphs (b), (c), (d), (g), and (h), the total payment for fee-for-service admissions occurring on or after July 1, 2011, made to hospitals for inpatient services before third-party liability and spenddown, is reduced 1.96 percent from the current statutory rates. Facilities defined under subdivision 16 are excluded from this paragraph. Payments made to managed care plans shall be reduced for services provided on or after January 1, 2011, to reflect this reduction.

(j) In addition to the reductions in paragraphs (b), (c), (d), (g), (h), and (i), the total payment for medical assistance fee-for-service admissions occurring on or after July 1, 2011, through June 30, 2013, made to hospitals for inpatient services before third-party liability and spenddown, is reduced by 7.04 percent from the current statutory rates. Inpatient hospital fee-for-service payments to hospitals located in the seven-county metropolitan area that are not government-owned with a disproportionate population adjustment under section 256.969, subdivision 9, paragraph (b), that is greater than 17 percent on January 1, 2011, are excluded from this reduction. Payments made to managed care plans shall be reduced for services provided on or after January 1, 2012, through June 30, 2013, to reflect the full 24-month reduction in fee-for-service rates.

Sec. 15. Minnesota Statutes 2010, section 256.969, is amended by adding a subdivision to read:

Subd. 31. **Initiatives to reduce incidence of low birth-weight.** The commissioner shall require hospitals with a level III neonatal intensive care unit located in the seven-county metropolitan area, as a condition of contract, to implement strategies to reduce the incidence of low birth-weight in geographic areas identified by the commissioner as having a higher than average incidence of low birth-weight, with special emphasis on areas within a one-mile radius of the hospital. These strategies may focus on smoking prevention and cessation, ensuring that pregnant women get adequate nutrition, and addressing demographic, social, and environmental risk factors. The strategies must coordinate health care with social services and the local public health system, and offer patient education through appropriate means. The commissioner shall require hospitals to submit proposed initiatives for approval to the commissioner by January 1, 2012, and the commissioner shall require hospitals to implement approved initiatives by July 1, 2012. The commissioner shall evaluate the strategies adopted to reduce low birth-weight, and shall require hospitals to submit outcome and other data necessary for the evaluation.

Sec. 16. Minnesota Statutes 2010, section 256B.04, subdivision 18, is amended to read:

Subd. 18. **Applications for medical assistance.** (a) The state agency may take applications for medical assistance and conduct eligibility determinations for MinnesotaCare enrollees.

(b) The commissioner of human services shall modify the Minnesota health care programs application form to add a question asking applicants: "Are you a United States military veteran?"

Sec. 17. Minnesota Statutes 2010, section 256B.05, is amended by adding a subdivision to read:

Subd. 5. **Technical assistance.** The commissioner shall provide technical assistance to county agencies in processing complex medical assistance applications, including but not limited to applications for long-term care services. The commissioner shall provide this technical assistance using existing financial resources.

Sec. 18. Minnesota Statutes 2010, section 256B.055, subdivision 15, is amended to read:

Subd. 15. **Adults without children.** (a) Medical assistance may be paid for a person who is:

- (1) at least age 21 and under age 65;
- (2) not pregnant;
- (3) not entitled to Medicare Part A or enrolled in Medicare Part B under Title XVIII of the Social Security Act;
- (4) not an adult in a family with children as defined in section 256L.01, subdivision 3a; and
- (5) not described in another subdivision of this section.

(b) If the federal government eliminates the federal Medicaid match or reduces the federal Medicaid matching rate beyond any adjustment required as part of the annual recalculation of the state's overall Medicaid matching rate for persons eligible under this subdivision, the commissioner shall eliminate coverage for persons enrolled under this subdivision and suspend new enrollment under this subdivision effective on the date of the elimination or reduction.

EFFECTIVE DATE. This section is effective the day following final enactment and expires January 1, 2014.

Sec. 19. Minnesota Statutes 2010, section 256B.06, subdivision 4, is amended to read:

Subd. 4. **Citizenship requirements.** (a) Eligibility for medical assistance is limited to citizens of the United States, qualified noncitizens as defined in this subdivision, and other persons residing lawfully in the United States. Citizens or nationals of the United States must cooperate in obtaining satisfactory documentary evidence of citizenship or nationality according to the requirements of the federal Deficit Reduction Act of 2005, Public Law 109-171.

(b) "Qualified noncitizen" means a person who meets one of the following immigration criteria:

- (1) admitted for lawful permanent residence according to United States Code, title 8;
- (2) admitted to the United States as a refugee according to United States Code, title 8, section 1157;
- (3) granted asylum according to United States Code, title 8, section 1158;
- (4) granted withholding of deportation according to United States Code, title 8, section 1253(h);
- (5) paroled for a period of at least one year according to United States Code, title 8, section 1182(d)(5);
- (6) granted conditional entrant status according to United States Code, title 8, section 1153(a)(7);

(7) determined to be a battered noncitizen by the United States Attorney General according to the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, title V of the Omnibus Consolidated Appropriations Bill, Public Law 104-200;

(8) is a child of a noncitizen determined to be a battered noncitizen by the United States Attorney General according to the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, title V, of the Omnibus Consolidated Appropriations Bill, Public Law 104-200; or

(9) determined to be a Cuban or Haitian entrant as defined in section 501(e) of Public Law 96-422, the Refugee Education Assistance Act of 1980.

(c) All qualified noncitizens who were residing in the United States before August 22, 1996, who otherwise meet the eligibility requirements of this chapter, are eligible for medical assistance with federal financial participation.

(d) All qualified noncitizens who entered the United States on or after August 22, 1996, and who otherwise meet the eligibility requirements of this chapter, are eligible for medical assistance with federal financial participation through November 30, 1996.

Beginning December 1, 1996, qualified noncitizens who entered the United States on or after August 22, 1996, and who otherwise meet the eligibility requirements of this chapter are eligible for medical assistance with federal participation for five years if they meet one of the following criteria:

(i) refugees admitted to the United States according to United States Code, title 8, section 1157;

(ii) persons granted asylum according to United States Code, title 8, section 1158;

(iii) persons granted withholding of deportation according to United States Code, title 8, section 1253(h);

(iv) veterans of the United States armed forces with an honorable discharge for a reason other than noncitizen status, their spouses and unmarried minor dependent children; or

(v) persons on active duty in the United States armed forces, other than for training, their spouses and unmarried minor dependent children.

Beginning December 1, 1996, qualified noncitizens who do not meet one of the criteria in items (i) to (v) are eligible for medical assistance without federal financial participation as described in paragraph (j).

Notwithstanding paragraph (j), beginning July 1, 2010, children and pregnant women who are noncitizens described in paragraph (b) or (e), are eligible for medical assistance with federal financial participation as provided by the federal Children's Health Insurance Program Reauthorization Act of 2009, Public Law 111-3.

(e) Noncitizens who are not qualified noncitizens as defined in paragraph (b), who are lawfully present in the United States, as defined in Code of Federal Regulations, title 8, section 103.12, and who otherwise meet the eligibility requirements of this chapter, are eligible for medical assistance under clauses (1) to (3). These individuals must cooperate with the United States Citizenship and Immigration Services to pursue any applicable immigration status, including citizenship, that would qualify them for medical assistance with federal financial participation.

(1) Persons who were medical assistance recipients on August 22, 1996, are eligible for medical assistance with federal financial participation through December 31, 1996.

(2) Beginning January 1, 1997, persons described in clause (1) are eligible for medical assistance without federal financial participation as described in paragraph (j).

(3) Beginning December 1, 1996, persons residing in the United States prior to August 22, 1996, who were not receiving medical assistance and persons who arrived on or after August 22, 1996, are eligible for medical assistance without federal financial participation as described in paragraph (j).

(f) Nonimmigrants who otherwise meet the eligibility requirements of this chapter are eligible for the benefits as provided in paragraphs (g) to (i). For purposes of this subdivision, a "nonimmigrant" is a person in one of the classes listed in United States Code, title 8, section 1101(a)(15).

(g) Payment shall also be made for care and services that are furnished to noncitizens, regardless of immigration status, who otherwise meet the eligibility requirements of this chapter, if such care and services are necessary for the treatment of an emergency medical condition, ~~except for organ transplants and related care and services and routine prenatal care.~~

(h) For purposes of this subdivision, the term "emergency medical condition" means a medical condition that meets the requirements of United States Code, title 42, section 1396b(v).

(i)(1) Notwithstanding paragraph (h), services that are necessary for the treatment of an emergency medical condition are limited to the following:

(i) services delivered in an emergency room that are directly related to the treatment of an emergency medical condition;

(ii) services delivered in an inpatient hospital setting following admission from an emergency room or clinic for an acute emergency condition; and

(iii) follow-up services that are directly related to the original service provided to treat the emergency medical condition and that are covered by the global payment made to the provider.

(2) Services for the treatment of emergency medical conditions do not include:

(i) services delivered in an emergency room or inpatient setting to treat a nonemergency condition;

(ii) organ transplants and related care;

(iii) services for routine prenatal care;

(iv) continuing care, including long-term care, nursing facility services, home health care, adult day care, day training, or supportive living services;

(v) elective surgery;

(vi) outpatient prescription drugs, unless the drugs are administered or dispensed as part of an emergency room visit;

(vii) preventative health care and family planning services;

(viii) dialysis;

(ix) chemotherapy or therapeutic radiation services;

- (x) rehabilitation services;
- (xi) physical, occupational, or speech therapy;
- (xii) transportation services;
- (xiii) case management;
- (xiv) prosthetics, orthotics, durable medical equipment, or medical supplies;
- (xv) dental services;
- (xvi) hospice care;
- (xvii) audiology services and hearing aids;
- (xviii) podiatry services;
- (xix) chiropractic services;
- (xx) immunizations;
- (xxi) vision services and eyeglasses;
- (xxii) waiver services;
- (xxiii) individualized education programs; or
- (xxiv) chemical dependency treatment.

⊕ (j) Beginning July 1, 2009, pregnant noncitizens who are undocumented, nonimmigrants, or lawfully present as designated in paragraph (e) and who are not covered by a group health plan or health insurance coverage according to Code of Federal Regulations, title 42, section 457.310, and who otherwise meet the eligibility requirements of this chapter, are eligible for medical assistance through the period of pregnancy, including labor and delivery, and 60 days postpartum, to the extent federal funds are available under title XXI of the Social Security Act, and the state children's health insurance program.

⊕ (k) Qualified noncitizens as described in paragraph (d), and all other noncitizens lawfully residing in the United States as described in paragraph (e), who are ineligible for medical assistance with federal financial participation and who otherwise meet the eligibility requirements of chapter 256B and of this paragraph, are eligible for medical assistance without federal financial participation. Qualified noncitizens as described in paragraph (d) are only eligible for medical assistance without federal financial participation for five years from their date of entry into the United States.

⊕ (l) Beginning October 1, 2003, persons who are receiving care and rehabilitation services from a nonprofit center established to serve victims of torture and are otherwise ineligible for medical assistance under this chapter are eligible for medical assistance without federal financial participation. These individuals are eligible only for the period during which they are receiving services from the center. Individuals eligible under this paragraph shall not be required to participate in prepaid medical assistance.

Sec. 20. Minnesota Statutes 2010, section 256B.0625, is amended by adding a subdivision to read:

Subd. 1b. **Care coordination services provided through pediatric hospitals.** (a) Medical assistance covers care coordination services provided by certain pediatric hospitals to children with high-cost medical conditions and children at risk of recurrent hospitalization for acute or chronic illnesses. There must be Level I and Level II pediatric care coordination services.

(b) Level I pediatric care coordination services are provided by advanced practice nurses employed by or under contract with pediatric hospitals that have a neonatal intensive care unit and are either recipients of payments to support the training of residents from an approved graduate medical residency program under United States Code, title 42, section 256e, or the major pediatric teaching hospital affiliate of the University of Minnesota Medical School, and that meet the criteria in this subdivision.

(c) The services in paragraph (b) must be available through in-home video telehealth management and other methods, and must be designed to improve patient outcomes and reduce unnecessary hospital and emergency room utilization. The services must streamline communication, reduce redundancy, and eliminate unnecessary documentation through the use of a Web-accessible, uniform document that contains critical patient care management information, and which is accessible to all providers with patient consent. The commissioner shall develop the uniform document and associated Web site and shall implement procedures to assess patient outcomes and evaluate the effectiveness of the care coordination services provided under this subdivision.

(d) Medical assistance also covers, as durable medical equipment, computers, webcams, and other technology necessary to allow in-home video telehealth management.

(e) For purposes of paragraph (b), a child has a high-cost medical condition if inpatient hospital expenses for that child related to complex or chronic illnesses or conditions for the most recent calendar year exceeded \$100,000, or if the expenses for that child are projected to exceed \$100,000 for the current calendar year. For purposes of this subdivision, a child is at risk of recurrent hospitalization if the child was hospitalized three or more times for acute or chronic illness in the most recent calendar year.

(f) For purposes of paragraph (b), "care coordination" means collaboration between the advanced practice nurse and primary care physicians and specialists to manage care and reduce hospitalizations, patient case management, development of medical management plans for chronic illnesses and recurrent acute illnesses, oversight and coordination of all aspects of care in partnership with families, organization of medical information into a summary of critical information, coordination and appropriate sequencing of tests and multiple appointments, information and assistance with accessing resources, and telephone triage for acute illnesses or problems.

(g) The commissioner shall adjust managed care and county-based purchasing plan capitation rates to reflect savings from the coverage of this service.

(h) Level II pediatric care coordination services are provided by registered nurses employed by or under contract with a pediatric hospital that has been designated as an essential community provider under section 62Q.19, subdivision 1, clause (4), and has been a recipient of payments to support the training of residents from an approved graduate medical residency program pursuant to United States Code, title 42, section 256e, and that meets the following criteria:

(1) the services must be provided through telehealth management and other methods, be available on a regular schedule seven days per week, and be designed to provide collaboration in patient care as provided by the patient's family, primary care providers, and the hospital and specialized physicians;

(2) for purposes of this paragraph, a child has a high-cost medical condition if the child has a serious chronic physical disability caused by a congenital anomaly, birth injury or traumatic injury, complications which can be expected to cause further injury, hospitalization, or death, but that can be effectively addressed through ongoing family and primary care supported by communication of ongoing care information and care coordination; and

(3) for purposes of this paragraph, "care coordination" means the ready availability of telehealth management services to support collaboration through a registered nurse between a child's family, the primary care professional that is available to care for the child, and appropriate professionals to address urgent questions about and minimize the consequences of medical complications, develop medical management plans for complex conditions, and avoid serious health consequences and hospitalizations to treat such complications.

EFFECTIVE DATE. This section is effective January 1, 2012.

Sec. 21. Minnesota Statutes 2010, section 256B.0625, is amended by adding a subdivision to read:

Subd. 3q. **Evidence-based childbirth program.** (a) The commissioner shall implement a program to reduce the number of elective inductions of labor prior to 39 weeks' gestation. In this subdivision, the term "elective induction of labor" means the use of artificial means to stimulate labor in a woman without the presence of a medical condition affecting the woman or the child that makes the onset of labor a medical necessity. The program must promote the implementation of policies within hospitals providing services to recipients of medical assistance or MinnesotaCare that prohibit the use of elective inductions prior to 39 weeks' gestation, and adherence to such policies by the attending providers.

(b) For all births covered by medical assistance or MinnesotaCare on or after January 1, 2012, a payment for professional services associated with the delivery of a child in a hospital must not be made unless the provider has submitted information about the nature of the labor and delivery including any induction of labor that was performed in conjunction with that specific birth. The information must be on a form prescribed by the commissioner.

(c) The requirements in paragraph (b) must not apply to deliveries performed at a hospital that has policies and processes in place that have been approved by the commissioner which prohibit elective inductions prior to 39 weeks' gestation. A process for review of hospital induction policies must be established by the commissioner and review of policies must occur at the discretion of the commissioner. The commissioner's decision to approve or rescind approval must include verification and review of items including, but not limited to:

(1) policies that prohibit use of elective inductions for gestation less than 39 weeks;

(2) policies that encourage providers to document and communicate with patients a final expected date of delivery by 20 weeks' gestation that includes data from ultrasound measurements as applicable;

(3) policies that encourage patient education regarding elective inductions, and requires documentation of the processes used to educate patients;

(4) ongoing quality improvement review as determined by the commissioner; and

(5) any data that has been collected by the commissioner.

(d) All hospitals must report annually to the commissioner induction information for all births that were covered by medical assistance or MinnesotaCare in a format and manner to be established by the commissioner.

(e) The commissioner at any time may choose not to implement or may discontinue any or all aspects of the program if the commissioner is able to determine that hospitals representing at least 90 percent of births covered by medical assistance or MinnesotaCare have approved policies in place.

EFFECTIVE DATE. This section is effective January 1, 2012.

Sec. 22. Minnesota Statutes 2010, section 256B.0625, subdivision 8, is amended to read:

Subd. 8. **Physical therapy.** Medical assistance covers physical therapy and related services, including specialized maintenance therapy. Authorization by the commissioner is required to provide medically necessary services to a recipient beyond any of the following onetime service thresholds, or a lower threshold where one has been established by the commissioner for a specified service: (1) 80 units of any approved CPT code other than modalities; (2) 20 modality sessions; and (3) three evaluations or reevaluations. ~~Services provided by a physical therapy assistant shall be reimbursed at the same rate as services performed by a physical therapist when the services of the physical therapy assistant are provided under the direction of a physical therapist who is on the premises. Authorization determinations must be communicated within three working days.~~ Services provided by a physical therapy assistant that are provided under the direction of a physical therapist ~~who is not on the premises~~ shall be reimbursed at 65 percent of the physical therapist rate.

Sec. 23. Minnesota Statutes 2010, section 256B.0625, subdivision 8a, is amended to read:

Subd. 8a. **Occupational therapy.** Medical assistance covers occupational therapy and related services, including specialized maintenance therapy. Authorization by the commissioner is required to provide medically necessary services to a recipient beyond any of the following onetime service thresholds, or a lower threshold where one has been established by the commissioner for a specified service: (1) 120 units of any combination of approved CPT codes; and (2) two evaluations or reevaluations. ~~Services provided by an occupational therapy assistant shall be reimbursed at the same rate as services performed by an occupational therapist when the services of the occupational therapy assistant are provided under the direction of the occupational therapist who is on the premises.~~ Services provided by an occupational therapy assistant that are provided under the direction of an occupational therapist ~~who is not on the premises~~ shall be reimbursed at 65 percent of the occupational therapist rate.

Sec. 24. Minnesota Statutes 2010, section 256B.0625, subdivision 8e, is amended to read:

Subd. 8e. **Chiropractic services.** Payment for chiropractic services is limited to one annual evaluation and ~~12~~ 24 visits per year unless prior authorization of a greater number of visits is obtained.

Sec. 25. Minnesota Statutes 2010, section 256B.0625, is amended by adding a subdivision to read:

Subd. 8f. Acupuncture services. Medical assistance covers acupuncture, as defined in section 147B.01, subdivision 3, only when provided by a licensed acupuncturist or by another Minnesota licensed practitioner for whom acupuncture is within the practitioner's scope of practice and who has specific acupuncture training or credentialing.

Sec. 26. Minnesota Statutes 2010, section 256B.0625, subdivision 13e, is amended to read:

Subd. 13e. **Payment rates.** (a) The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee; the maximum allowable cost set by the federal government or by the commissioner plus the fixed dispensing fee; or the usual and customary price charged to the public. The amount of payment basis must be reduced to reflect all discount amounts applied to the charge by any provider/insurer agreement or contract for submitted charges to medical assistance programs. The net submitted charge may not be greater than the patient liability for the service. The pharmacy dispensing fee shall be \$3.65,

except that the dispensing fee for intravenous solutions which must be compounded by the pharmacist shall be \$8 per bag, \$14 per bag for cancer chemotherapy products, and \$30 per bag for total parenteral nutritional products dispensed in one liter quantities, or \$44 per bag for total parenteral nutritional products dispensed in quantities greater than one liter. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. ~~Effective July 1, 2009, The actual acquisition cost of a drug shall be estimated by the commissioner; at average wholesale price minus 15 percent. The actual acquisition cost of antihemophilic factor drugs shall be estimated at the average wholesale price minus 30 percent.~~ wholesale acquisition cost plus four percent for independently owned pharmacies located in a designated rural area within Minnesota, and at wholesale acquisition cost plus two percent for all other pharmacies. A pharmacy is "independently owned" if it is one of four or fewer pharmacies under the same ownership nationally. A "designated rural area" means an area defined as a small rural area or isolated rural area according to the four-category classification of the Rural Urban Commuting Area system developed for the United States Health Resources and Services Administration. Wholesale acquisition cost is defined as the manufacturer's list price for a drug or biological to wholesalers or direct purchasers in the United States, not including prompt pay or other discounts, rebates, or reductions in price, for the most recent month for which information is available, as reported in wholesale price guides or other publications of drug or biological pricing data. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to, but no higher than, the maximum amount paid by other third-party payors in this state who have maximum allowable cost programs. Establishment of the amount of payment for drugs shall not be subject to the requirements of the Administrative Procedure Act.

(b) An additional dispensing fee of \$.30 may be added to the dispensing fee paid to pharmacists for legend drug prescriptions dispensed to residents of long-term care facilities when a unit dose blister card system, approved by the department, is used. Under this type of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National Drug Code (NDC) from the drug container used to fill the blister card must be identified on the claim to the department. The unit dose blister card containing the drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider will be required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse. Over-the-counter medications must be dispensed in the manufacturer's unopened package. The commissioner may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply.

(c) Whenever a maximum allowable cost has been set for a multisource drug, payment shall be on the basis of the maximum allowable cost established by the commissioner unless prior authorization for the brand name product has been granted according to the criteria established by the Drug Formulary Committee as required by subdivision 13f, paragraph (a), and the prescriber has indicated "dispense as written" on the prescription in a manner consistent with section 151.21, subdivision 2.

(d) The basis for determining the amount of payment for drugs administered in an outpatient setting shall be the lower of the usual and customary cost submitted by the provider or ~~the amount established for Medicare by the 106 percent of the average sales price as determined by the~~ United States Department of Health and Human Services pursuant to title XVIII, section 1847a of the federal Social Security Act. If average sales price is unavailable, the amount of payment must be lower of the usual and customary cost submitted by the provider or the wholesale acquisition cost.

(e) The commissioner may negotiate lower reimbursement rates for specialty pharmacy products than the rates specified in paragraph (a). The commissioner may require individuals enrolled in the health care programs administered by the department to obtain specialty pharmacy products from providers with whom the commissioner has negotiated lower reimbursement rates. Specialty pharmacy products are defined as those used by a small number of recipients or recipients with complex and chronic diseases that require expensive and challenging drug regimens. Examples of these conditions include, but are not limited to: multiple sclerosis, HIV/AIDS, transplantation, hepatitis C, growth hormone deficiency, Crohn's Disease, rheumatoid arthritis, and certain forms of cancer. Specialty pharmaceutical products include injectable and infusion therapies, biotechnology drugs, antihemophilic factor products,

high-cost therapies, and therapies that require complex care. The commissioner shall consult with the formulary committee to develop a list of specialty pharmacy products subject to this paragraph. In consulting with the formulary committee in developing this list, the commissioner shall take into consideration the population served by specialty pharmacy products, the current delivery system and standard of care in the state, and access to care issues. The commissioner shall have the discretion to adjust the reimbursement rate to prevent access to care issues.

(f) Home infusion therapy services provided by home infusion therapy pharmacies must be paid at rates according to subdivision 8d.

EFFECTIVE DATE. This section is effective July 1, 2011, or upon federal approval, whichever is later.

Sec. 27. Minnesota Statutes 2010, section 256B.0625, subdivision 13h, is amended to read:

Subd. 13h. **Medication therapy management services.** (a) Medical assistance and general assistance medical care cover medication therapy management services for a recipient taking ~~four~~ three or more prescriptions to treat or prevent ~~two~~ one or more chronic medical conditions, ~~or~~ a recipient with a drug therapy problem that is identified by the commissioner or identified by a pharmacist and approved by the commissioner; or prior authorized by the commissioner that has resulted or is likely to result in significant nondrug program costs. The commissioner may cover medical therapy management services under MinnesotaCare if the commissioner determines this is cost-effective. For purposes of this subdivision, "medication therapy management" means the provision of the following pharmaceutical care services by a licensed pharmacist to optimize the therapeutic outcomes of the patient's medications:

- (1) performing or obtaining necessary assessments of the patient's health status;
- (2) formulating a medication treatment plan;
- (3) monitoring and evaluating the patient's response to therapy, including safety and effectiveness;
- (4) performing a comprehensive medication review to identify, resolve, and prevent medication-related problems, including adverse drug events;
- (5) documenting the care delivered and communicating essential information to the patient's other primary care providers;
- (6) providing verbal education and training designed to enhance patient understanding and appropriate use of the patient's medications;
- (7) providing information, support services, and resources designed to enhance patient adherence with the patient's therapeutic regimens; and
- (8) coordinating and integrating medication therapy management services within the broader health care management services being provided to the patient.

Nothing in this subdivision shall be construed to expand or modify the scope of practice of the pharmacist as defined in section 151.01, subdivision 27.

(b) To be eligible for reimbursement for services under this subdivision, a pharmacist must meet the following requirements:

- (1) have a valid license issued under chapter 151;

(2) have graduated from an accredited college of pharmacy on or after May 1996, or completed a structured and comprehensive education program approved by the Board of Pharmacy and the American Council of Pharmaceutical Education for the provision and documentation of pharmaceutical care management services that has both clinical and didactic elements;

(3) be practicing in an ambulatory care setting as part of a multidisciplinary team or have developed a structured patient care process that is offered in a private or semiprivate patient care area that is separate from the commercial business that also occurs in the setting, or in home settings, ~~excluding~~ including long-term care ~~and settings~~, group homes, ~~if the service is ordered by the provider directed care coordination team~~ and facilities providing assisted living services; and

(4) make use of an electronic patient record system that meets state standards.

(c) For purposes of reimbursement for medication therapy management services, the commissioner may enroll individual pharmacists as medical assistance and general assistance medical care providers. The commissioner may also establish contact requirements between the pharmacist and recipient, including limiting the number of reimbursable consultations per recipient.

(d) If there are no pharmacists who meet the requirements of paragraph (b) practicing within a reasonable geographic distance of the patient, a pharmacist who meets the requirements may provide the services via two-way interactive video. Reimbursement shall be at the same rates and under the same conditions that would otherwise apply to the services provided. To qualify for reimbursement under this paragraph, the pharmacist providing the services must meet the requirements of paragraph (b), and must be located within an ambulatory care setting approved by the commissioner. The patient must also be located within an ambulatory care setting approved by the commissioner. Services provided under this paragraph may not be transmitted into the patient's residence.

(e) The commissioner shall establish a pilot project for an intensive medication therapy management program for patients identified by the commissioner with multiple chronic conditions and a high number of medications who are at high risk of preventable hospitalizations, emergency room use, medication complications, and suboptimal treatment outcomes due to medication-related problems. For purposes of the pilot project, medication therapy management services may be provided in a patient's home or community setting, in addition to other authorized settings. The commissioner may waive existing payment policies and establish special payment rates for the pilot project. The pilot project must be designed to produce a net savings to the state compared to the estimated costs that would otherwise be incurred for similar patients without the program. The pilot project must begin by January 1, 2010, and end June 30, 2012.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 28. Minnesota Statutes 2010, section 256B.0625, subdivision 17, is amended to read:

Subd. 17. **Transportation costs.** (a) Medical assistance covers medical transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by eligible persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. Medical transportation must be provided by:

(1) an ambulance, as defined in section 144E.001, subdivision 2;

(2) special transportation; or

(3) common carrier including, but not limited to, bus, taxicab, other commercial carrier, or private automobile.

(b) Medical assistance covers special transportation, as defined in Minnesota Rules, part 9505.0315, subpart 1, item F, if the recipient has a physical or mental impairment that would prohibit the recipient from safely accessing and using a bus, taxi, other commercial transportation, or private automobile.

The commissioner may use an order by the recipient's attending physician to certify that the recipient requires special transportation services. Special transportation providers shall perform driver-assisted services for eligible individuals. Driver-assisted service includes passenger pickup at and return to the individual's residence or place of business, assistance with admittance of the individual to the medical facility, and assistance in passenger securement or in securing of wheelchairs or stretchers in the vehicle. Special transportation providers must obtain written documentation from the health care service provider who is serving the recipient being transported, identifying the time that the recipient arrived. Special transportation providers may not bill for separate base rates for the continuation of a trip beyond the original destination. Special transportation providers must take recipients to the nearest appropriate health care provider, using the most direct route. The minimum medical assistance reimbursement rates for special transportation services are:

(1) (i) \$17 for the base rate and \$1.35 per mile for special transportation services to eligible persons who need a wheelchair-accessible van;

(ii) \$11.50 for the base rate and \$1.30 per mile for special transportation services to eligible persons who do not need a wheelchair-accessible van; and

(iii) \$60 for the base rate and \$2.40 per mile, and an attendant rate of \$9 per trip, for special transportation services to eligible persons who need a stretcher-accessible vehicle;

(2) the base rates for special transportation services in areas defined under RUCA to be super rural shall be equal to the reimbursement rate established in clause (1) plus 11.3 percent; and

(3) for special transportation services in areas defined under RUCA to be rural or super rural areas:

(i) for a trip equal to 17 miles or less, mileage reimbursement shall be equal to 125 percent of the respective mileage rate in clause (1); and

(ii) for a trip between 18 and 50 miles, mileage reimbursement shall be equal to 112.5 percent of the respective mileage rate in clause (1).

(c) For purposes of reimbursement rates for special transportation services under paragraph (b), the zip code of the recipient's place of residence shall determine whether the urban, rural, or super rural reimbursement rate applies.

(d) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means a census-tract based classification system under which a geographical area is determined to be urban, rural, or super rural.

(e) Effective for services provided on or after July 1, 2011, nonemergency transportation rates, including special transportation, taxi, and other commercial carriers, are reduced 4.5 percent. Payments made to managed care plans and county-based purchasing plans must be reduced for services provided on or after January 1, 2012, to reflect this reduction.

Sec. 29. Minnesota Statutes 2010, section 256B.0625, subdivision 17a, is amended to read:

Subd. 17a. **Payment for ambulance services.** (a) Medical assistance covers ambulance services. Providers shall bill ambulance services according to Medicare criteria. Nonemergency ambulance services shall not be paid as emergencies. Effective for services rendered on or after July 1, 2001, medical assistance payments for ambulance services shall be paid at the Medicare reimbursement rate or at the medical assistance payment rate in effect on July 1, 2000, whichever is greater.

(b) Effective for services provided on or after July 1, 2011, ambulance services payment rates are reduced 4.5 percent. Payments made to managed care plans and county-based purchasing plans must be reduced for services provided on or after January 1, 2012, to reflect this reduction.

Sec. 30. Minnesota Statutes 2010, section 256B.0625, subdivision 18, is amended to read:

Subd. 18. **Bus or taxicab transportation.** To the extent authorized by rule of the state agency, medical assistance covers ~~costs of~~ the most appropriate and cost-effective form of transportation incurred by any ambulatory eligible person for obtaining nonemergency medical care.

Sec. 31. Minnesota Statutes 2010, section 256B.0625, is amended by adding a subdivision to read:

Subd. 25b. **Authorization with third-party liability.** (a) Except as otherwise allowed under this subdivision or required under federal or state regulations, the commissioner must not consider a request for authorization of a service when the recipient has coverage from a third-party payer unless the provider requesting authorization has made a good faith effort to receive payment or authorization from the third-party payer. A good faith effort is established by supplying with the authorization request to the commissioner the following:

(1) a determination of payment for the service from the third-party payer, a determination of authorization for the service from the third-party payer, or a verification of noncoverage of the service by the third-party payer; and

(2) the information or records required by the department to document the reason for the determination or to validate noncoverage from the third-party payer.

(b) A provider requesting authorization for services covered by Medicare is not required to bill Medicare before requesting authorization from the commissioner if the provider has reason to believe that a service covered by Medicare is not eligible for payment. The provider must document that, because of recent claim experiences with Medicare or because of written communication from Medicare, coverage is not available for the service.

(c) Authorization is not required if a third-party payer has made payment that is equal to or greater than 60 percent of the maximum payment amount for the service allowed under medical assistance.

Sec. 32. Minnesota Statutes 2010, section 256B.0625, subdivision 31a, is amended to read:

Subd. 31a. **Augmentative and alternative communication systems.** (a) Medical assistance covers augmentative and alternative communication systems consisting of electronic or nonelectronic devices and the related components necessary to enable a person with severe expressive communication limitations to produce or transmit messages or symbols in a manner that compensates for that disability.

~~(b) Until the volume of systems purchased increases to allow a discount price, the commissioner shall reimburse augmentative and alternative communication manufacturers and vendors at the manufacturer's suggested retail price for augmentative and alternative communication systems and related components. The commissioner shall separately reimburse providers for purchasing and integrating individual communication systems which are unavailable as a package from an augmentative and alternative communication vendor. Augmentative and alternative communication systems must be paid the lower of the:~~

(1) submitted charge; or

(2)(i) manufacturer's suggested retail price minus 20 percent for providers that are manufacturers of augmentative and alternative communication systems; or

(ii) manufacturer's invoice charge plus 20 percent for providers that are not manufacturers of augmentative and alternative communication systems.

(c) Reimbursement rates established by this purchasing program are not subject to Minnesota Rules, part 9505.0445, item S or T.

Sec. 33. Minnesota Statutes 2010, section 256B.0625, is amended by adding a subdivision to read:

Subd. 55. Payment for multiple services provided on same day. The commissioner shall not prohibit payment, including any supplemental payments, for mental health services or dental services provided to a patient by a clinic or health care professional solely because the mental health services or dental services were provided on the same day as other covered health care services furnished by the same provider.

Sec. 34. Minnesota Statutes 2010, section 256B.0625, is amended by adding a subdivision to read:

Subd. 56. Medical care coordination. (a) Medical assistance covers in-reach community-based care coordination that is performed in a hospital emergency department as an eligible procedure under a state health care program or private insurance for a frequent user. A frequent user is defined as an individual who has frequented the hospital emergency department for services three or more times in the previous four consecutive months. In-reach community-based care coordination includes navigating services to address a client's mental health, chemical health, social, economic, and housing needs, or any other activity targeted at reducing the incidence of emergency room and other nonmedically necessary health care utilization.

(b) Reimbursement must be made in 15-minute increments under current Medicaid mental health social work reimbursement methodology and allowed for up to 60 days posthospital discharge based upon the specific identified emergency department visit or inpatient admitting event. A frequent user who is participating in care coordination within a health care home framework is ineligible for reimbursement under this subdivision. Eligible in-reach care coordinators must hold a minimum of a bachelor's degree in social work, public health, corrections, or related field. The commissioner shall submit any necessary application for waivers to the Centers for Medicare and Medicaid Services to implement this subdivision.

(c) For the purposes of this subdivision, "in-reach community-based care coordination" means the practice of a community-based worker with training, knowledge, skills, and ability to access a continuum of services, including housing, transportation, chemical and mental health treatment, employment, and peer support services, by working with an organization's staff to transition an individual back into the individual's living environment. In-reach community-based care coordination includes working with the individual during their discharge and for up to a defined amount of time in the individual's living environment, reducing the individual's need for readmittance.

Sec. 35. Minnesota Statutes 2010, section 256B.0625, is amended by adding a subdivision to read:

Subd. 57. Payment for Part B Medicare crossover claims. Effective for services provided on or after January 1, 2012, medical assistance payment for an enrollee's cost sharing associated with Medicare Part B is limited to an amount up to the medical assistance total allowed, when the medical assistance rate exceeds the amount paid by Medicare.

EFFECTIVE DATE. This section is effective January 1, 2012.

Sec. 36. Minnesota Statutes 2010, section 256B.0625, is amended by adding a subdivision to read:

Subd. 58. Early and periodic screening, diagnosis, and treatment services. Medical assistance covers early and periodic screening, diagnosis, and treatment services (EPSDT). The payment amount for a complete EPSDT screening shall not exceed the rate established per Minnesota Rules, part 9505.0445, item M, effective October 1, 2010.

Sec. 37. Minnesota Statutes 2010, section 256B.0625, is amended by adding a subdivision to read:

Subd. 59. **Services provided by advanced dental therapists and dental therapists.** Medical assistance covers services provided by advanced dental therapists and dental therapists when provided within the scope of practice identified in sections 150A.105 and 150A.106.

Sec. 38. Minnesota Statutes 2010, section 256B.0631, subdivision 1, is amended to read:

Subdivision 1. ~~Co-payments~~ **Cost-sharing.** (a) Except as provided in subdivision 2, the medical assistance benefit plan shall include the following ~~co-payments~~ cost-sharing for all recipients, effective for services provided on or after ~~October 1, 2003, and before January 1, 2009~~ July 1, 2011:

(1) \$3 per nonpreventive visit, ~~except as provided in paragraph (c).~~ For purposes of this subdivision, a visit means an episode of service which is required because of a recipient's symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting by a physician or physician ancillary, chiropractor, podiatrist, nurse midwife, advanced practice nurse, audiologist, optician, or optometrist;

(2) \$3 for eyeglasses;

(3) ~~\$6~~ \$3.50 for nonemergency visits to a hospital-based emergency room, except that this co-payment shall be increased to \$20 upon federal approval; ~~and~~

(4) \$3 per brand-name drug prescription and \$1 per generic drug prescription, subject to a \$12 per month maximum for prescription drug co-payments. No co-payments shall apply to antipsychotic drugs when used for the treatment of mental illness.;

(5) a family deductible equal to the maximum amount allowed under Code of Federal Regulations, title 42, part 447.54; and

~~(b) Except as provided in subdivision 2, the medical assistance benefit plan shall include the following co-payments for all recipients, effective for services provided on or after January 1, 2009:~~

~~(1) \$3.50 for nonemergency visits to a hospital-based emergency room;~~

~~(2) \$3 per brand name drug prescription and \$1 per generic drug prescription, subject to a \$7 per month maximum for prescription drug co-payments. No co-payments shall apply to antipsychotic drugs when used for the treatment of mental illness; and~~

~~(3) (6) for individuals identified by the commissioner with income at or below 100 percent of the federal poverty guidelines, total monthly co-payments cost-sharing must not exceed five percent of family income. For purposes of this paragraph, family income is the total earned and unearned income of the individual and the individual's spouse, if the spouse is enrolled in medical assistance and also subject to the five percent limit on co-payments cost-sharing.~~

~~(e) (b) Recipients of medical assistance are responsible for all co-payments and deductibles in this subdivision.~~

(c) Effective January 1, 2012, or upon federal approval, whichever is later, the following co-payments for nonpreventive visits shall apply to providers included in provider peer grouping:

(1) \$3 for visits to providers whose average, risk-adjusted, total annual cost of care per medical assistance enrollee is at the 60th percentile or lower for providers of the same type;

(2) \$6 for visits to providers whose average, risk-adjusted, total annual cost of care per medical assistance enrollee is greater than the 60th percentile but does not exceed the 80th percentile for providers of the same type; and

(3) \$10 for visits to providers whose average, risk-adjusted, total annual cost of care per medical assistance enrollee is greater than the 80th percentile for providers of the same type.

Each managed care and county-based purchasing plan shall calculate the average, risk-adjusted, total annual cost of care for providers under this paragraph using a methodology approved by the commissioner. The commissioner shall develop a methodology for calculating the average, risk-adjusted, total annual cost of care for fee-for-service providers.

(d) The commissioner shall seek any federal waivers and approvals necessary to increase the co-payment for nonemergency visits to a hospital-based emergency room under paragraph (a), clause (3), and to implement paragraph (c).

Sec. 39. Minnesota Statutes 2010, section 256B.0631, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** Co-payments and deductibles shall be subject to the following exceptions:

- (1) children under the age of 21;
- (2) pregnant women for services that relate to the pregnancy or any other medical condition that may complicate the pregnancy;
- (3) recipients expected to reside for at least 30 days in a hospital, nursing home, or intermediate care facility for the developmentally disabled;
- (4) recipients receiving hospice care;
- (5) 100 percent federally funded services provided by an Indian health service;
- (6) emergency services;
- (7) family planning services;
- (8) services that are paid by Medicare, resulting in the medical assistance program paying for the coinsurance and deductible; and
- (9) co-payments that exceed one per day per provider for nonpreventive visits, eyeglasses, and nonemergency visits to a hospital-based emergency room.

Sec. 40. Minnesota Statutes 2010, section 256B.0631, subdivision 3, is amended to read:

Subd. 3. **Collection.** (a) The medical assistance reimbursement to the provider shall be reduced by the amount of the co-payment or deductible, except that reimbursements shall not be reduced:

- (1) once a recipient has reached the \$12 per month maximum ~~or the \$7 per month maximum effective January 1, 2009,~~ for prescription drug co-payments; or
- (2) for a recipient identified by the commissioner under 100 percent of the federal poverty guidelines who has met their monthly five percent ~~co-payment~~ cost-sharing limit.

(b) The provider collects the co-payment or deductible from the recipient. Providers may not deny services to recipients who are unable to pay the co-payment or deductible.

(c) Medical assistance reimbursement to fee-for-service providers and payments to managed care plans shall not be increased as a result of the removal of co-payments or deductibles effective on or after January 1, 2009.

Sec. 41. Minnesota Statutes 2010, section 256B.0751, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of sections 256B.0751 to 256B.0753, the following definitions apply.

(b) "Commissioner" means the commissioner of human services.

(c) "Commissioners" means the commissioner of humans services and the commissioner of health, acting jointly.

(d) "Health plan company" has the meaning provided in section 62Q.01, subdivision 4.

(e) "Personal clinician" means a physician licensed under chapter 147, a physician assistant licensed and practicing under chapter 147A, ~~or a mental health professional licensed under section 245.462, subdivision 18, clauses (1) to (6); or 245.4871, subdivision 27, clauses (1) to (6),~~ an advanced practice nurse licensed and registered to practice under chapter 148, or a chiropractor working in cooperation with a physician, physician assistant, or advanced practice nurse.

(f) "State health care program" means the medical assistance, MinnesotaCare, and general assistance medical care programs.

Sec. 42. Minnesota Statutes 2010, section 256B.0751, subdivision 2, is amended to read:

Subd. 2. **Development and implementation of standards.** (a) By July 1, 2009, the commissioners of health and human services shall develop and implement standards of certification for health care homes for state health care programs. In developing these standards, the commissioners shall consider existing standards developed by national independent accrediting and medical home organizations. The standards developed by the commissioners must meet the following criteria:

(1) emphasize, enhance, and encourage the use of primary care, and include the use of primary care physicians, advanced practice nurses, ~~and mental health professionals,~~ physician assistants, and chiropractors as personal clinicians but permitting multidisciplinary teams of other health professionals;

(2) focus on delivering high-quality, efficient, and effective health care services and providing, arranging, or coordinating related social and public health services and other services that directly affect an individual's health, access to services, quality and outcomes, and patient satisfaction;

(3) encourage patient-centered care and services, including active participation by the patient and family or a legal guardian, or a health care agent as defined in chapter 145C, as appropriate in decision making and care plan development, and providing care that is appropriate to the patient's race, ethnicity, and language;

(4) provide patients with a consistent, ongoing contact with a personal clinician or team of ~~clinical~~ professionals to ensure continuous and appropriate care for the patient's condition;

(5) ensure that health care homes develop and maintain appropriate comprehensive care and wellness plans for their patients with complex or chronic conditions, including an assessment of health risks ~~and,~~ chronic conditions, and socioeconomic factors affecting health and treatment;

(6) enable and encourage utilization of a range of qualified health care professionals and other professionals or services related to the health and treatment of the patient, including dedicated care coordinators, in a manner that enables providers to practice to the fullest extent of their license;

(7) focus initially on patients who have or are at risk of developing chronic health conditions;

(8) incorporate measures of quality, resource use, cost of care, and patient experience, with appropriate adjustments for socioeconomic factors;

(9) ensure the use of health information technology and systematic follow-up, including the use of patient registries; and

(10) encourage the use of scientifically based health care, patient decision-making aids that provide patients with information about treatment and service options and their associated benefits, risks, costs, and comparative outcomes, and other clinical decision support tools.

(b) In developing these standards, the commissioners shall consult with national and local organizations working on health care home models, physicians, relevant state agencies, health plan companies, hospitals, other providers, patients, and patient advocates. The commissioners may satisfy this requirement by continuing the provider directed care coordination advisory committee.

(c) For the purposes of developing and implementing these standards, the commissioners may use the expedited rulemaking process under section 14.389.

Sec. 43. Minnesota Statutes 2010, section 256B.0751, subdivision 3, is amended to read:

Subd. 3. **Requirements for clinicians certified as health care homes.** (a) A personal clinician ~~or~~ a primary care clinic, or community mental health center eligible for payment under section 256B.0625, subdivision 5, may be certified as a health care home. If a primary care clinic or mental health center is certified, all of the primary care clinic's or mental health center's clinicians who may provide care to persons enrolled with the health care home must meet the criteria of a health care home. In order to be certified as a health care home, a clinician ~~or~~ clinic, or community mental health center must meet the standards set by the commissioners in accordance with this section. Certification as a health care home is voluntary. In order to maintain their status as health care homes, clinicians or clinics must renew their certification annually.

(b) Clinicians ~~or~~ clinics, or mental health centers certified as health care homes must offer their health care home services to all their patients with complex or chronic health conditions who are interested in participation.

(c) Health care homes must participate in the health care home collaborative established under subdivision 5.

Sec. 44. Minnesota Statutes 2010, section 256B.0751, subdivision 4, is amended to read:

Subd. 4. **Alternative models and waivers of requirements.** (a) Nothing in this section shall preclude the continued development of existing medical or health care home projects currently operating or under development by the commissioner of human services or preclude the commissioner from establishing alternative models and payment mechanisms for persons who are enrolled in integrated Medicare and Medicaid programs under section 256B.69, subdivisions 23 and 28, are enrolled in managed care long-term care programs under section 256B.69, subdivision 6b, are dually eligible for Medicare and medical assistance, are in the waiting period for Medicare, or who have other primary coverage.

(b) The commissioner of health shall modify the health care homes application for certification to add an item allowing an applicant to indicate status as a federally qualified health center or a federally qualified health center look-alike, as defined in section 145.9269, subdivision 1. The commissioner shall certify as a health care home each applicant that indicates this status on a completed application for certification, without requiring the applicant to meet the standards in Minnesota Rules, part 4764.0040. In order to retain certification, a federally qualified health center or federally qualified health center look-alike certified under this paragraph must seek annual recertification by submitting a letter of intent stating its desire to be recertified but is not required to meet the standards for recertification in Minnesota Rules, part 4764.0040.

(c) The commissioner of health shall waive health care home certification requirements if an applicant demonstrates that compliance with a certification requirement will create a major financial hardship or is not feasible, and the applicant establishes an alternative way to accomplish the objectives of the certification requirement.

Sec. 45. Minnesota Statutes 2010, section 256B.0751, is amended by adding a subdivision to read:

Subd. 8. **Coordination with local services.** The health care home and the county shall coordinate care and services provided to patients enrolled with a health care home who have complex medical or socioeconomic needs or a disability, and who need and are eligible for additional local services administered by counties, including but not limited to waived services, mental health services, social services, public health services, transportation, and housing. The coordination of care and services must be as provided in the plan established by the patient and health care home.

Sec. 46. Minnesota Statutes 2010, section 256B.0751, is amended by adding a subdivision to read:

Subd. 9. **Patient choice of health care home.** Notwithstanding section 256B.69, subdivisions 4 and 23, and subject to any necessary federal approval, the commissioner may require a patient enrolled in a state health care program through a managed care plan, county-based purchasing plan, fee-for-service, or demonstration project under section 256B.0755 to select a health care home and agree to receive primary care and care coordination services through the health care home as a condition of enrollment in the state health care program. The patient must be allowed to choose from among all available qualified health care providers, including an essential community provider as defined in section 62Q.19, if the provider is certified as a health care home and agrees to accept the terms, conditions, and payment rates for participation in the managed care plan, county-based purchasing plan, fee-for-service program, or demonstration project, except that reimbursement to federally qualified health centers and federally qualified health center look-alikes as defined in section 145.9269 must comply with federal law.

Sec. 47. Minnesota Statutes 2010, section 256B.0751, is amended by adding a subdivision to read:

Subd. 10. **Engagement of patients and communities in health care home.** The commissioner of health shall require health care homes to demonstrate that their health care home patients, and the racial and ethnic communities of current or potential patients, participate in evaluating the health care home and recommending improvements and changes to the health care home's methods and procedures in order to improve health, quality, and patient satisfaction for patients from those communities. The commissioner shall consult with racial and ethnic communities to determine whether the requirements of this section and rules adopted under it are barriers to effective health care home methods and procedures for serving patients of racial and ethnic communities.

Sec. 48. Minnesota Statutes 2010, section 256B.0753, is amended by adding a subdivision to read:

Subd. 4. **Waiver recipients.** A health care home shall receive the highest care coordination payment established under section 256B.0753 for providing services to an enrollee receiving home and community-based waiver services.

Sec. 49. Minnesota Statutes 2010, section 256B.0754, is amended by adding a subdivision to read:

Subd. 3. Primary care provider tiering. (a) The commissioner shall establish a tiering system for all providers participating in Minnesota health care programs. The tiering system must differentiate providers on the basis of their ability to provide cost-effective, quality care and must incorporate the provider peer grouping measures established under section 62U.04. The tier assignments must be established annually based on the most recent peer grouping measures available. Differentiation of tier assignments must be statistically valid. The commissioner may set specific quality standards for providers designated as high-performing providers under this subdivision.

(b) The commissioner may adjust the rates paid to providers within each tier group established under paragraph (a) on an annual basis. Adjustments to rates shall not include the rate paid for care coordination services to certified health care homes under section 256B.0753. Providers designated high-performing providers under paragraph (c) are not eligible for rate increases unless the provider also meets the cost and quality criteria associated with that tier level.

(c) Health care homes certified under section 256B.0751, rural health clinics, and federally qualified health care clinics are designated as high-performing providers under this subdivision.

(d) Providers reimbursed on a cost basis are subject to rate adjustments under this section.

(e) The commissioner may phase in the tiering system by service type.

EFFECTIVE DATE. This section is effective one year from the public release of provider peer grouping measures under Minnesota Statutes, section 62U.04, or upon federal approval, whichever is later.

Sec. 50. Minnesota Statutes 2010, section 256B.0755, subdivision 4, is amended to read:

Subd. 4. Payment system. (a) In developing a payment system for health care delivery systems, the commissioner shall establish a total cost of care benchmark or a risk/gain sharing payment model to be paid for services provided to the recipients enrolled in a health care delivery system.

(b) The payment system may include incentive payments to health care delivery systems that meet or exceed annual quality and performance targets realized through the coordination of care.

(c) An amount equal to the savings realized to the general fund as a result of the demonstration project shall be transferred each fiscal year to the health care access fund.

(d) The total cost of care benchmark for demonstration projects must be no greater than the capitation rate that would have been paid to a managed care plan for a substantially similar enrollee population based on the per-member per-month rate in effect on December 31, 2010. The commissioner shall adjust benchmark payment rates for demonstration projects as necessary to reflect the higher level of service and cost necessary to serve a patient population with a higher incidence of socioeconomic barriers and complexity, and shall make corresponding reductions in payment rates for projects with a lower concentration of patients with socioeconomic barriers and complexity.

Sec. 51. Minnesota Statutes 2010, section 256B.0755, is amended by adding a subdivision to read:

Subd. 8. Coordination with local services. The health care home and the county shall coordinate care and services provided to patients enrolled in a demonstration project who have complex medical or socioeconomic needs or a disability, and who need and are eligible for additional local services administered by counties, including but not limited to waived services, mental health services, social services, public health services, transportation, or housing. The coordination of care and services must be as provided in the plan established by the patient and primary care provider or health care home.

Sec. 52. Minnesota Statutes 2010, section 256B.0755, is amended by adding a subdivision to read:

Subd. 9. **Rural demonstration projects.** For demonstration projects serving rural areas, the commissioner shall consult with rural hospitals, primary care providers, county boards, health plans, and other key stakeholders primarily domiciled in the service area regarding the development and approval of alternative rural health care delivery demonstration projects under this section. In addition to organizations eligible to establish a demonstration project under subdivision 1, a rural demonstration project may be established by a county public health or social services agency or a county-based purchasing plan. In a rural area where multiple, competing provider-based demonstration projects are not possible, the commissioner shall not approve more than one demonstration project to serve the primary geographic area and shall follow the applicable procedures and requirements in section 256B.692 regarding participation of county boards in reviewing and approving demonstration project proposals.

Sec. 53. Minnesota Statutes 2010, section 256B.0755, is amended by adding a subdivision to read:

Subd. 10. **Patient choice of qualified provider.** The commissioner shall implement and approve demonstration projects in a manner that allows a patient to choose a primary care provider and health care home from among all available qualified options. The commissioner may require the patient to remain with the chosen provider, health care home, or demonstration project organization for a period of time determined by the commissioner. The commissioner shall implement the demonstration projects in a manner that ensures that a patient has the option of receiving services, including health care home services, through a provider designated as an essential community provider under section 62Q.19. Demonstration projects and essential community providers must comply with section 62Q.19, subdivisions 3 to 7, for purposes of participation of providers in the demonstration project, except that reimbursement to federally qualified health centers and federally qualified health center look-alikes as defined in section 145.9269 must be in compliance with federal law.

Sec. 54. Minnesota Statutes 2010, section 256B.0755, is amended by adding a subdivision to read:

Subd. 11. **Patient and community engagement.** As a condition of approval of a demonstration project, the commissioner shall require the applicant to demonstrate that consumers and communities to be served under the project were consulted with and engaged in the process of developing the project proposal. The proposal must identify the needs and preferences of consumers and communities that were identified through this process of consultation and engagement. The consumers and communities consulted with and engaged in the development of the proposal must generally reflect the demographics, race, and ethnicity of those likely to be served under the demonstration project, with a special focus on those who experience the greatest health disparities. The commissioner shall require that demonstration project providers continue to consult with and engage consumers and communities during implementation and operation of the demonstration project.

Sec. 55. Minnesota Statutes 2010, section 256B.0755, is amended by adding a subdivision to read:

Subd. 12. **Care coordination system.** The commissioner of human services, in consultation with the commissioner of health, shall convene an advisory committee of small, independent, rural, and safety net primary care clinics, community hospitals, mental health centers, dental clinics, and other providers to advise the commissioner on the establishment of a system that will allow providers participating in payment reform demonstration projects established under this section and section 256B.0756 to effectively coordinate and deliver care to patients. In consultation with the advisory committee, the commissioner shall develop a plan for the care coordination system, issue a request for proposals, and contract with a vendor or vendors to establish and maintain the technology for the care coordination system. Using appropriations made for this purpose, the commissioner shall fund the planning, development, and establishment of the system. Ongoing costs must be covered by payments made by the providers who use the system.

Sec. 56. Minnesota Statutes 2010, section 256B.0755, is amended by adding a subdivision to read:

Subd. 13. **Approval and implementation.** Beginning January 1, 2012, the commissioner of human services shall approve payment reform projects authorized under this section for medical assistance and MinnesotaCare. The commissioner may approve projects for persons enrolled in fee-for-service programs and may require managed care plans and county-based purchasing plans to contract with a demonstration project provider on the same terms, conditions, and payment arrangements as are established by the commissioner for fee-for-service programs.

Sec. 57. Minnesota Statutes 2010, section 256B.0756, is amended to read:

256B.0756 HENNEPIN AND RAMSEY COUNTIES PILOT PROGRAM.

(a) The commissioner, upon federal approval of a new waiver request or amendment of an existing demonstration, may establish a pilot program in Hennepin County or Ramsey County, or both, to test alternative and innovative integrated health care delivery networks.

(b) Individuals eligible for the pilot program shall be individuals who are eligible for medical assistance under section 256B.055, subdivision 15, and who reside in Hennepin County or Ramsey County.

(c) Individuals enrolled in the pilot program shall be enrolled in an integrated health care delivery network in their county of residence. The integrated health care delivery network in Hennepin County shall be a network, such as an accountable care organization or a community-based collaborative care network, created by or including Hennepin County Medical Center. The integrated health care delivery network in Ramsey County shall be a network, such as an accountable care organization or community-based collaborative care network, created by or including Regions Hospital.

(d) The commissioner shall cap pilot program enrollment at 7,000 enrollees for Hennepin County and 3,500 enrollees for Ramsey County.

(e) In developing a payment system for the pilot programs, the commissioner shall establish a total cost of care for the recipients enrolled in the pilot programs that equals the cost of care that would otherwise be spent for these enrollees in the prepaid medical assistance program.

(f) Counties may transfer funds necessary to support the nonfederal share of payments for integrated health care delivery networks in their county. Such transfers per county shall not exceed 15 percent of the expected expenses for county enrollees.

(g) The commissioner shall apply to the federal government for, or as appropriate, cooperate with counties, providers, or other entities that are applying for any applicable grant or demonstration under the Patient Protection and Affordable Health Care Act, Public Law 111-148, or the Health Care and Education Reconciliation Act of 2010, Public Law 111-152, that would further the purposes of or assist in the creation of an integrated health care delivery network for the purposes of this subdivision, including, but not limited to, a global payment demonstration or the community-based collaborative care network grants.

(h) A demonstration project established under this section must meet the requirements of section 256B.0755, subdivisions 8, 9, 10, and 11.

Sec. 58. **256B.0758 PREGNANCY CARE HOMES.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions apply.

(b) "Pregnancy care home" means a health care home certified by the commissioner of health under section 256B.0751 that provides pregnancy care services in a way that is patient-centered, outcome-driven, comprehensive, and coordinated, and meets the standards specified and developed under subdivision 3.

(c) "Pregnancy care services" means prenatal care, consultative perinatal services, intrapartum and postpartum care, and well-baby care for the first week.

(d) "State health care program" means the medical assistance and MinnesotaCare programs.

Subd. 2. **Development and implementation of standards.** (a) The commissioners of human services and health shall develop and implement standards of certification of pregnancy care homes for state health care programs. In developing standards, the commissioners shall consult with representatives of the American College of Nurse Midwives, the American Congress of OB/GYN, the American Academy of Family Practice, the American Academy of Pediatrics, and relevant local consumer groups.

Subd. 3. **Criteria for development of standards.** (a) A pregnancy care home must meet the general health care home standards developed by the commissioners under section 256B.0751, subdivision 2, paragraph (a), clauses (1) to (4), (6), and (8) to (10), and must also meet specific standards for pregnancy care homes. The specific standards for pregnancy care homes developed by the commissioners must meet the criteria specified in this subdivision.

(b) A pregnancy care home must provide pregnancy care services. Nonpregnancy complications, such as preexisting illness, shall be covered by medical assistance outside of the pregnancy care home. During a pregnancy episode, the pregnancy care home must coordinate necessary nonpregnancy health care services with the mother's primary care provider or another appropriate provider.

(c) Each pregnancy care home must have adequate malpractice insurance that meets the standards specified by the commissioners.

(d) A pregnancy care home may provide pregnancy services through any health care professional licensed to provide the service in Minnesota, including but not limited to licensed traditional midwives, certified nurse midwives, family practitioners, obstetricians, perinatologists, neonatologists, and other advanced practice registered nurses.

(e) Pregnancy care within a pregnancy care home may be provided at any Minnesota facility licensed to provide pregnancy care and birth, including but not limited to freestanding birth centers, integrated birth centers, and hospitals. Each pregnancy care home must offer the option of midwife-directed pregnancy care services in a licensed integrated or freestanding birth center.

(f) A pregnancy care home must have a governing board comprised of at least eight members. One-half of the governing board members must be providers licensed to attend births.

(g) Each pregnancy care home must have a formal consultative relationship with at least one level III perinatal center to provide care for mothers and babies who develop pregnancy complications.

(h) Each pregnancy care home must comply with state and federal requirements for the use of interoperable electronic medical records.

(i) Each pregnancy care home must submit annual reports to the commissioners of human services and health that document:

(1) all relevant pregnancy care outcomes and patient satisfaction measures; and

(2) the financial status of the pregnancy care home.

All reports are public data under section 13.02.

(j) Each pregnancy care home must offer culturally competent care coordination services in a manner that is consistent with health care home requirements.

(k) For the purposes of developing and implementing the standards in this subdivision, the commissioners may use the expedited rulemaking process under section 14.389.

Subd. 4. **Certification process.** Providers seeking certification as a pregnancy care home must apply to the commissioner of health. Providers certified by the commissioner of health may provide pregnancy care services through pregnancy care homes beginning July 1, 2012. Certification as a pregnancy care home is voluntary, except that beginning July 1, 2014, all nonemergency pregnancy care services covered under state health care programs must be provided through providers certified as pregnancy care homes.

Subd. 5. **Payments to pregnancy care homes.** (a) The commissioner of human services, in coordination with the commissioner of health, shall develop a payment system that provides a single per-person payment to pregnancy care homes to cover all pregnancy care services provided to each mother and infant enrolled in a state health care program. Pregnancy care homes receiving payments under this subdivision remain eligible for care coordination payments under section 256B.0753.

(b) Payment amounts for pregnancy care homes shall be uniform statewide and determined annually by the commissioner, based initially upon a specified percentage of the calculated average cost of care for mothers and infants under state health care programs for the three most recent fiscal years for which cost information is available. Beginning July 1, 2014, statewide payment amounts for pregnancy care homes shall be determined annually by the commissioner by adjusting the current payment amount by a measure of medical inflation selected by the commissioner that best represents the change in the cost of pregnancy-related services provided to patients covered by private sector health coverage.

(c) Pregnancy care home payments must initially be made for pregnancy care services provided to pregnant women who are not high risk, beginning July 1, 2012. Beginning January 1, 2013, the commissioner shall phase in higher payments for high-risk pregnancy categories so that beginning July 1, 2014, pregnancy care services for all low-risk and high-risk pregnancies are reimbursed under this subdivision.

Sec. 59. **[256B.0759] CARE COORDINATION FOR ENROLLEES.**

Subdivision 1. **Qualified enrollee.** For purposes of this section, a "qualified enrollee" means: (1) a medical assistance enrollee eligible under this chapter; or (2) a MinnesotaCare enrollee eligible under chapter 256L.

Subd. 2. **Selection of primary care provider.** The commissioner shall require qualified enrollees who do not have a designated medical condition to select a primary care provider and agree to receive primary care services from that provider as a condition of medical assistance or MinnesotaCare enrollment.

Subd. 3. **Selection of health care home; care coordination.** (a) The commissioner shall require qualified enrollees who have a medical condition designated by the commissioner to select a health care home certified under section 256B.0751 and agree to receive primary care and care coordination services through that health care home as a condition of medical assistance or MinnesotaCare enrollment. For purposes of this subdivision, the commissioner shall designate medical conditions with a high likelihood of inappropriate inpatient hospital admissions for which care coordination and prior authorization of admissions are expected to improve the quality of care and lead to costs savings for state health care programs.

(b) The commissioner shall include on Minnesota health care program enrollment cards a designation as to whether an enrollee meets the criteria in paragraph (a). In order to receive medical assistance or MinnesotaCare payment for nonemergency inpatient hospital admissions for enrollees meeting the criteria in paragraph (a), a hospital must receive prior authorization from the enrollee's health care home.

EFFECTIVE DATE. This section is effective January 1, 2012, for MinnesotaCare enrollees not eligible for a federal match, and is effective January 1, 2012, or upon federal approval, whichever is later, for medical assistance enrollees and for MinnesotaCare enrollees eligible for a federal match.

Sec. 60. **[256B.0760] ELECTIVE SURGERY.**

Subdivision 1. **Payment prohibition.** The commissioner, in consultation with health care providers, health care homes certified under section 256B.0751, managed care plans providing services under section 256B.69, and county-based purchasing plans providing services under section 256B.692, shall identify elective or nonemergency surgical procedures for which less invasive and less costly alternative treatment methods are available, and shall prohibit payment for these elective or nonemergency surgical procedures if the alternative treatment methods have not first been evaluated for use and, if appropriate, provided to the enrollee.

Subd. 2. **Implementation.** The commissioner shall implement the payment prohibitions in paragraph (a) for fee-for-service medical assistance providers by January 1, 2012, and shall require managed care and county-based purchasing plans to implement the payment prohibitions in paragraph (a) for providers employed or under contract for services provided to medical assistance and MinnesotaCare enrollees beginning January 1, 2012.

Subd. 3. **Reduction in capitation rates.** The commissioner shall reduce medical assistance and MinnesotaCare capitation rates to managed care and county-based purchasing plans beginning January 1, 2012, to reflect cost-savings to plans resulting from implementation of the payment prohibitions required by this subdivision.

Sec. 61. Minnesota Statutes 2010, section 256B.37, subdivision 5, is amended to read:

Subd. 5. **Private benefits to be used first.** Private accident and health care coverage, including Medicare for medical services and coverage provided through the United States Department of Veterans Affairs, is primary coverage and must be exhausted before medical assistance or alternative care services are paid for medical services including home health care, personal care assistance services, hospice, supplies and equipment, or services covered under a Centers for Medicare and Medicaid Services waiver. When a person who is otherwise eligible for medical assistance has private accident or health care coverage, including Medicare or a prepaid health plan or coverage provided through the United States Department of Veterans Affairs, the private health care benefits available to the person must be used first and to the fullest extent.

Sec. 62. Minnesota Statutes 2010, section 256B.69, subdivision 3a, is amended to read:

Subd. 3a. **County authority.** (a) The commissioner, when implementing or administering the medical assistance prepayment program within a county, must include the county board in the process of development, approval, and issuance of the request for proposals to provide services to eligible individuals within the proposed county, including proposals for demonstration projects established under section 256B.0755. County boards must be given reasonable opportunity to ~~make recommendations regarding~~ assist in the development, issuance, review of responses, and changes needed in the request for proposals. The commissioner must provide county boards the opportunity to review each proposal based on the identification of community needs under chapters 145A and 256E and county advocacy activities. If a county board finds that a proposal does not address certain community needs, the county board and commissioner shall continue efforts for improving the proposal and network prior to the approval of the contract. The county board shall make ~~recommendations~~ determinations regarding the approval of local networks and their operations to ensure adequate local availability and access to covered services. The

provider or health plan must respond directly to county advocates and the state prepaid medical assistance ombudsperson regarding service delivery and must be accountable to the state regarding contracts with medical assistance funds. The county board ~~may recommend~~ shall decide a maximum number of participating health plans including county-based purchasing plans after considering the size of the enrolling population; ensuring adequate access and capacity; considering the client and county administrative complexity; and considering the need to promote the viability of locally developed health plans, managed care plans, or demonstration projects established under section 256B.0755. The county board or a single entity representing a group of county boards and the commissioner shall mutually select one or more qualified health plans or county-based purchasing plans for participation at the time of initial implementation of the prepaid medical assistance program or a demonstration project established under section 256B.0755 in that county or group of counties and at the time of contract renewal. The commissioner shall also seek input for contract requirements from the county or single entity representing a group of county boards at each contract renewal and incorporate those recommendations into the contract negotiation process.

(b) At the option of the county board, the board may develop contract requirements related to the achievement of local public health goals and health care delivery and access goals to meet the health needs of medical assistance enrollees. These requirements must be reasonably related to the performance of health plan managed care or delivery system demonstration project functions and within the scope of the medical assistance benefit set. ~~If the county board and the commissioner mutually agree to such requirements, the department~~ The commissioner shall include such requirements in all ~~health plan~~ contracts governing the prepaid medical assistance program in that county at initial implementation of the program or demonstration project in that county and at the time of contract renewal. The county board may participate in the enforcement of the contract ~~provisions related to local public health goals~~.

(c) For counties in which a prepaid medical assistance program has not been established, the commissioner shall not implement that program if a county board submits an acceptable and timely preliminary and final proposal under section 256B.692, until county-based purchasing is no longer operational in that county. For counties in which a prepaid medical assistance program is in existence on or after September 1, 1997, the commissioner must terminate contracts with health plans according to section 256B.692, subdivision 5, if the county board submits and the commissioner accepts a ~~preliminary and final~~ proposal according to that subdivision. The commissioner is not required to terminate contracts that begin on or after September 1, 1997, according to section 256B.692 until two years have elapsed from the date of initial enrollment.

(d) In the event that a county board or a single entity representing a group of county boards and the commissioner cannot reach agreement regarding: (i) the selection of participating health plans or demonstration projects under section 256B.0755 in that county; (ii) contract requirements; or (iii) implementation and enforcement of county requirements including provisions regarding local public health goals, the commissioner shall resolve all disputes ~~after taking into account~~ by approving the recommendations of a three-person mediation panel. The panel shall be composed of one designee of the president of the association of Minnesota counties, one designee of the commissioner of human services, and one person selected jointly by the designee of the commissioner of human services and the designee of the Association of Minnesota Counties. Within a reasonable period of time before the hearing, the panelists must be provided all documents and information relevant to the mediation. The parties to the mediation must be given 30 days' notice of a hearing before the mediation panel.

(e) If a county which elects to implement county-based purchasing ceases to implement county-based purchasing, it is prohibited from assuming the responsibility of county-based purchasing for a period of five years from the date it discontinues purchasing.

(f) The commissioner shall not require that contractual disputes between county-based purchasing entities and the commissioner be mediated by a panel that includes a representative of the Minnesota Council of Health Plans.

(g) At the request of a county-purchasing entity, the commissioner shall adopt a contract reprourement or renewal schedule under which all counties included in the entity's service area are reprocured or renewed at the same time.

(h) The commissioner shall provide a written report under section 3.195 to the chairs of the legislative committees having jurisdiction over human services in the senate and the house of representatives describing in detail the activities undertaken by the commissioner to ensure full compliance with this section. The report must also provide an explanation for any decisions of the commissioner not to accept the recommendations of a county or group of counties required to be consulted under this section. The report must be provided at least 30 days prior to the effective date of a new or renewed prepaid or managed care contract in a county.

(i) This section also applies to other Minnesota health care programs administered by the commissioner, including but not limited to the MinnesotaCare program.

Sec. 63. Minnesota Statutes 2010, section 256B.69, subdivision 4, is amended to read:

Subd. 4. **Limitation of choice.** (a) The commissioner shall develop criteria to determine when limitation of choice may be implemented in the experimental counties. The criteria shall ensure that all eligible individuals in the county have continuing access to the full range of medical assistance services as specified in subdivision 6.

(b) The commissioner shall exempt the following persons from participation in the project, in addition to those who do not meet the criteria for limitation of choice:

(1) persons eligible for medical assistance according to section 256B.055, subdivision 1;

(2) persons eligible for medical assistance due to blindness or disability as determined by the Social Security Administration or the state medical review team, unless:

(i) they are 65 years of age or older; or

(ii) they reside in Itasca County or they reside in a county in which the commissioner conducts a pilot project under a waiver granted pursuant to section 1115 of the Social Security Act;

(3) recipients who currently have private coverage through a health maintenance organization;

(4) recipients who are eligible for medical assistance by spending down excess income for medical expenses other than the nursing facility per diem expense;

(5) recipients who receive benefits under the Refugee Assistance Program, established under United States Code, title 8, section 1522(e);

(6) children who are both determined to be severely emotionally disturbed and receiving case management services according to section 256B.0625, subdivision 20, except children who are eligible for and who decline enrollment in an approved preferred integrated network under section 245.4682;

(7) adults who are both determined to be seriously and persistently mentally ill and received case management services according to section 256B.0625, subdivision 20;

(8) persons eligible for medical assistance according to section 256B.057, subdivision 10; and

(9) persons with access to cost-effective employer-sponsored private health insurance or persons enrolled in a non-Medicare individual health plan determined to be cost-effective according to section 256B.0625, subdivision 15.

Children under age 21 who are in foster placement may enroll in the project on an elective basis. Individuals excluded under clauses (1), (6), and (7) may choose to enroll on an elective basis. The commissioner may enroll recipients in the prepaid medical assistance program for seniors who are (1) age 65 and over, and (2) eligible for medical assistance by spending down excess income.

(c) The commissioner may allow persons with a one-month spenddown who are otherwise eligible to enroll to voluntarily enroll or remain enrolled, if they elect to prepay their monthly spenddown to the state.

(d) The commissioner may require those individuals to enroll in the prepaid medical assistance program who otherwise would have been excluded under paragraph (b), clauses (1), (3), and (8), and under Minnesota Rules, part 9500.1452, subpart 2, items H, K, and L.

(e) Before limitation of choice is implemented, eligible individuals shall be notified and after notification, shall be allowed to choose only among demonstration providers. The commissioner may assign an individual with private coverage through a health maintenance organization, to the same health maintenance organization for medical assistance coverage, if the health maintenance organization is under contract for medical assistance in the individual's county of residence. After initially choosing a provider, the recipient is allowed to change that choice only at specified times as allowed by the commissioner. If a demonstration provider ends participation in the project for any reason, a recipient enrolled with that provider must select a new provider but may change providers without cause once more within the first 60 days after enrollment with the second provider.

(f) An infant born to a woman who is eligible for and receiving medical assistance and who is enrolled in the prepaid medical assistance program shall be retroactively enrolled to the month of birth in the same managed care plan as the mother once the child is enrolled in medical assistance unless the child is determined to be excluded from enrollment in a prepaid plan under this section.

(g) For an eligible individual under the age of 65, in the absence of a specific managed care plan choice by the individual, the commissioner shall assign the individual to the county-based purchasing plan, if any, in the county of the individual's residence. For an eligible individual over the age of 65, the commissioner shall make the default assignment on the county-based purchasing plan entering into a contract with the commissioner to serve this population and receiving federal approval as a special needs plan.

Sec. 64. Minnesota Statutes 2010, section 256B.69, subdivision 5a, is amended to read:

Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section and section 256L.12 shall be entered into or renewed on a calendar year basis beginning January 1, 1996. Managed care contracts which were in effect on June 30, 1995, and set to renew on July 1, 1995, shall be renewed for the period July 1, 1995 through December 31, 1995 at the same terms that were in effect on June 30, 1995. The commissioner may issue separate contracts with requirements specific to services to medical assistance recipients age 65 and older.

(b) A prepaid health plan providing covered health services for eligible persons pursuant to chapters 256B and 256L is responsible for complying with the terms of its contract with the commissioner. Requirements applicable to managed care programs under chapters 256B and 256L established after the effective date of a contract with the commissioner take effect when the contract is next issued or renewed.

(c) Effective for services rendered on or after January 1, 2003, the commissioner shall withhold five percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program pending completion of performance targets. Each performance target

must be quantifiable, objective, measurable, and reasonably attainable, except in the case of a performance target based on a federal or state law or rule. Criteria for assessment of each performance target must be outlined in writing prior to the contract effective date. The managed care plan must demonstrate, to the commissioner's satisfaction, that the data submitted regarding attainment of the performance target is accurate. The commissioner shall periodically change the administrative measures used as performance targets in order to improve plan performance across a broader range of administrative services. The performance targets must include measurement of plan efforts to contain spending on health care services and administrative activities. The commissioner may adopt plan-specific performance targets that take into account factors affecting only one plan, including characteristics of the plan's enrollee population. The withheld funds must be returned no sooner than July of the following year if performance targets in the contract are achieved. The commissioner may exclude special demonstration projects under subdivision 23.

(d) Effective for services rendered on or after January 1, 2009, through December 31, 2009, the commissioner shall withhold three percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

(e) Effective for services provided on or after January 1, 2010, the commissioner shall require that managed care plans use the assessment and authorization processes, forms, timelines, standards, documentation, and data reporting requirements, protocols, billing processes, and policies consistent with medical assistance fee-for-service or the Department of Human Services contract requirements consistent with medical assistance fee-for-service or the Department of Human Services contract requirements for all personal care assistance services under section 256B.0659.

(f) Effective for services rendered on or after January 1, 2010, through December 31, 2010, the commissioner shall withhold 4.5 percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

(g) Effective for services rendered on or after January 1, 2011, the commissioner shall include as part of the performance targets described in paragraph (c) a reduction in the health plan's emergency room utilization rate for state health care program enrollees by a measurable rate of five percent from the plan's utilization rate for state health care program enrollees for the previous calendar year.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan demonstrates to the satisfaction of the commissioner that a reduction in the utilization rate was achieved.

The withhold described in this paragraph shall continue for each consecutive contract period until the plan's emergency room utilization rate for state health care program enrollees is reduced by 25 percent of the plan's emergency room utilization rate for state health care program enrollees for calendar year 2009. Hospitals shall cooperate with the health plans in meeting this performance target and shall accept payment withholds that may be returned to the hospitals if the performance target is achieved. The commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount. The withhold in this paragraph does not apply to county-based purchasing plans.

(h) Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (c) a reduction in the plan's hospitalization rates or subsequent hospitalizations within 30 days of a previous hospitalization of a patient regardless of the reason for the hospitalization for state health care program enrollees by a measurable rate of five percent from the plan's utilization rate for state health care program enrollees for the previous calendar year.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that a reduction in the hospitalization rate was achieved.

The withhold described in this paragraph must continue for each consecutive contract period until the plan's subsequent hospitalization rate for state health care program enrollees is reduced by 25 percent of the plan's subsequent hospitalization rate for state health care program enrollees for calendar year 2010. Hospitals shall cooperate with the plans in meeting this performance target and shall accept payment withholds that must be returned to the hospitals if the performance target is achieved. The commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount.

~~(h)~~ (i) Effective for services rendered on or after January 1, 2011, through December 31, 2011, the commissioner shall withhold 4.5 percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

~~(i)~~ (j) Effective for services rendered on or after January 1, 2012, through December 31, 2012, the commissioner shall withhold 4.5 percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

~~(j)~~ (k) Effective for services rendered on or after January 1, 2013, through December 31, 2013, the commissioner shall withhold 4.5 percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

~~(k)~~ (l) Effective for services rendered on or after January 1, 2014, the commissioner shall withhold three percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

~~(l)~~ (m) A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this section that is reasonably expected to be returned.

~~(m)~~ (n) Contracts between the commissioner and a prepaid health plan are exempt from the set-aside and preference provisions of section 16C.16, subdivisions 6, paragraph (a), and 7.

~~(n)~~ (o) The return of the withhold under paragraphs (d), (f), and (h) to (k) is not subject to the requirements of paragraph (c).

Sec. 65. Minnesota Statutes 2010, section 256B.69, subdivision 5c, is amended to read:

Subd. 5c. **Medical education and research fund.** (a) The commissioner of human services shall transfer each year to the medical education and research fund established under section 62J.692, the following:

(1) an amount equal to the reduction in the prepaid medical assistance payments as specified in this clause. Until January 1, 2002, the county medical assistance capitation base rate prior to plan specific adjustments and after the regional rate adjustments under subdivision 5b is reduced 6.3 percent for Hennepin County, two percent for the remaining metropolitan counties, and no reduction for nonmetropolitan Minnesota counties; and after January 1, 2002, the county medical assistance capitation base rate prior to plan specific adjustments is reduced 6.3 percent for Hennepin County, two percent for the remaining metropolitan counties, and 1.6 percent for nonmetropolitan Minnesota counties. Nursing facility and elderly waiver payments and demonstration project payments operating under subdivision 23 are excluded from this reduction. The amount calculated under this clause shall not be adjusted for periods already paid due to subsequent changes to the capitation payments;

(2) beginning July 1, 2003, \$4,314,000 from the capitation rates paid under this section;

(3) beginning July 1, 2002, an additional \$12,700,000 from the capitation rates paid under this section; and

(4) beginning July 1, 2003, an additional \$4,700,000 from the capitation rates paid under this section.

(b) This subdivision shall be effective upon approval of a federal waiver which allows federal financial participation in the medical education and research fund. Effective July 1, 2009, and thereafter, the transfers required by paragraph (a), clauses (1) to (4), shall not exceed the total amount transferred for fiscal year 2009. Any excess shall first reduce the amounts otherwise required to be transferred under paragraph (a), clauses (2) to (4). Any excess following this reduction shall proportionally reduce the transfers under paragraph (a), clause (1).

(c) Beginning July 1, 2009, of the amounts in paragraph (a), the commissioner shall transfer \$21,714,000 each fiscal year to the medical education and research fund. The balance of the transfers under paragraph (a) shall be transferred to the medical education and research fund no earlier than July 1 of the following fiscal year.

(d) Beginning in fiscal year 2012, the commissioner shall reduce the amount transferred to the medical education research fund under paragraph (a), by \$6,404,000 each fiscal year. This reduction must be applied to the amount available for general distribution under section 62J.692, subdivision 7, clause (5).

Sec. 66. Minnesota Statutes 2010, section 256B.69, subdivision 6, is amended to read:

Subd. 6. **Service delivery.** (a) Each demonstration provider shall be responsible for the health care coordination for eligible individuals. Demonstration providers:

(1) shall authorize and arrange for the provision of all needed health services including but not limited to the full range of services listed in sections 256B.02, subdivision 8, and 256B.0625 in order to ensure appropriate health care is delivered to enrollees. Notwithstanding section 256B.0621, demonstration providers that provide nursing home and community-based services under this section shall provide relocation service coordination to enrolled persons age 65 and over;

(2) shall accept the prospective, per capita payment from the commissioner in return for the provision of comprehensive and coordinated 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; and

(4) shall institute recipient grievance procedures according to the method established by the project, utilizing applicable requirements of chapter 62D. Disputes not resolved through this process shall be appealable to the commissioner as provided in subdivision 11.

(b) Demonstration providers must comply with the standards for claims settlement under section 72A.201, subdivisions 4, 5, 7, and 8, when contracting with other health care and social service practitioners to provide services to enrollees. A demonstration provider must pay a clean claim, as defined in Code of Federal Regulations, title 42, section 447.45(b), within 30 business days of the date of acceptance of the claim.

(c) A demonstration provider must accept into its medical assistance and MinnesotaCare provider networks any health care or social service provider that agrees to accept payment, quality assurance, and other contract terms that the demonstration provider applies to other similarly situated providers in its provider network.

EFFECTIVE DATE. This section is effective January 1, 2012, and applies to provider contracts that take effect on or after that date.

Sec. 67. Minnesota Statutes 2010, section 256B.69, is amended by adding a subdivision to read:

Subd. 30. **Provider payment rates.** (a) Each managed care and county-based plan shall, by October 1, 2011, array all providers within each provider type, employed by or under contract with the plan, by their average total annual cost of care for serving medical assistance and MinnesotaCare enrollees for the most recent reporting year for which data is available, risk-adjusted for enrollee demographics and health status.

(b) Beginning January 1, 2012, and each contract year thereafter, each managed care and county-based purchasing plan shall implement a progressive payment withhold methodology for each provider type, under which the withhold for a provider increases proportionally as the provider's risk-adjusted total annual cost increases, relative to other providers of the same type. For purposes of this paragraph, the risk-adjusted total annual cost of care is the dollar amount calculated under paragraph (a).

(c) At the end of each contract year, each plan shall array all providers within each provider type by their average total annual cost of care for serving medical assistance and MinnesotaCare enrollees for that contract year, risk-adjusted for enrollee demographics and health status. For each provider whose risk-adjusted total annual cost of care is at or below a benchmark percentile established by the plan, the plan shall return the full amount of any withhold. For each provider whose risk-adjusted total annual cost of care is above the benchmark percentile, the plan shall return only the portion of the withhold sufficient to bring the provider's payment rate to the average for providers within the provider type whose risk-adjusted total annual cost of care is at the benchmark percentile. Each plan shall establish the benchmark percentile at a level that allows the plan to adjust expenditures for provider payments to reflect the reduction in capitation rates under paragraph (f).

(d) Each managed care and county-based purchasing plan must establish an appeals process to allow providers to appeal determinations of risk-adjusted total annual cost of care. Each plan's appeals process must be approved by the commissioner.

(e) The commissioner shall require each plan to submit to the commissioner, in the form and manner specified by the commissioner, all provider payment data and information on the withhold methodology that the commissioner determines is necessary to verify compliance with this subdivision.

(f) The commissioner, for the contract year beginning January 1, 2012, shall reduce plan capitation rates by 12 percent from the rates that would otherwise apply, absent application of this subdivision. The reduced rate shall be the historical base rate for negotiating capitation rates for future contract years. The commissioner may recommend additional reductions in capitation rates for future contract years to the legislature, if the commissioner determines this is necessary to ensure that health care providers under contract with managed care and county-based purchasing plans practice in an efficient manner.

(g) The commissioner of human services, in consultation with the commissioner of health, shall develop and provide to managed care and county-based purchasing plans, by September 1, 2011, standard criteria and definitions necessary for consistent calculation of the total annual risk-adjusted cost of care across plans. The commissioner may use encounter data collected under section 62U.04 to implement this subdivision, and may provide encounter data or analyses to plans. Section 62U.04, subdivision 4, paragraph (b), shall not apply to the commissioners of health and human services for purposes of this subdivision.

(h) For purposes of this subdivision, "provider" means a vendor of medical care as defined in section 256B.02, subdivision 7, for which sufficient encounter data on utilization and costs is available to implement this subdivision.

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

Sec. 68. Minnesota Statutes 2010, section 256B.69, is amended by adding a subdivision to read:

Subd. 31. **Initiatives to reduce incidence of low birth weight.** The commissioner shall require managed care and county-based purchasing plans as a condition of contract to implement strategies to reduce the incidence of low birth weight in geographic areas identified by the commissioner as having a higher than average incidence of low birth weight, with special emphasis on areas within a one-mile radius of hospitals within their provider networks. These strategies may focus on smoking prevention and cessation, ensuring that pregnant women get adequate nutrition, and addressing demographic, social, and environmental risk factors. The strategies must coordinate health care with social services and the local public health system, and offer patient education through appropriate means. The commissioner shall require plans to submit proposed initiatives for approval to the commissioner by January 1, 2012, and the commissioner shall require plans to implement approved initiatives by July 1, 2012. The commissioner shall evaluate the strategies adopted to reduce low birth weight and shall require plans to submit outcome and other data necessary for the evaluation.

Sec. 69. Minnesota Statutes 2010, section 256B.69, is amended by adding a subdivision to read:

Subd. 32. **Health education.** The commissioner shall require managed care and county-based purchasing plans, as a condition of contract, to provide health education, wellness training, and information about the availability and benefits of preventive services to all medical assistance and MinnesotaCare enrollees, beginning January 1, 2012. Plan initiatives developed or implemented to comply with this requirement must be approved by the commissioner.

Sec. 70. Minnesota Statutes 2010, section 256B.692, subdivision 2, is amended to read:

Subd. 2. **Duties of commissioner of health.** (a) Notwithstanding chapters 62D and 62N, a county that elects to purchase medical assistance in return for a fixed sum without regard to the frequency or extent of services furnished to any particular enrollee is not required to obtain a certificate of authority under chapter 62D or 62N. The county board of commissioners is the governing body of a county-based purchasing program. In a multicounty arrangement, the governing body is a joint powers board established under section 471.59.

(b) A county that elects to purchase medical assistance services under this section must satisfy the commissioner of health that the requirements for assurance of consumer protection, provider protection, and, effective January 1, 2010, fiscal solvency of chapter 62D, applicable to health maintenance organizations will be met according to the following schedule:

- (1) for a county-based purchasing plan approved on or before June 30, 2008, the plan must have in reserve:
 - (i) at least 50 percent of the minimum amount required under chapter 62D as of January 1, 2010;
 - (ii) at least 75 percent of the minimum amount required under chapter 62D as of January 1, 2011;

(iii) at least 87.5 percent of the minimum amount required under chapter 62D as of January 1, 2012; and

(iv) at least 100 percent of the minimum amount required under chapter 62D as of January 1, 2013; and

(2) for a county-based purchasing plan first approved after June 30, 2008, the plan must have in reserve:

(i) at least 50 percent of the minimum amount required under chapter 62D at the time the plan begins enrolling enrollees;

(ii) at least 75 percent of the minimum amount required under chapter 62D after the first full calendar year;

(iii) at least 87.5 percent of the minimum amount required under chapter 62D after the second full calendar year; and

(iv) at least 100 percent of the minimum amount required under chapter 62D after the third full calendar year.

(c) Until a plan is required to have reserves equaling at least 100 percent of the minimum amount required under chapter 62D, the plan may demonstrate its ability to cover any losses by satisfying the requirements of chapter 62N. Notwithstanding this paragraph and paragraph (b), a county-based purchasing plan may satisfy its fiscal solvency requirements by obtaining written financial guarantees from participating counties in amounts equivalent to the minimum amounts that would otherwise apply. A county-based purchasing plan must also assure the commissioner of health that the requirements of sections 62J.041; 62J.48; 62J.71 to 62J.73; 62M.01 to 62M.16; all applicable provisions of chapter 62Q, including sections 62Q.075; 62Q.1055; 62Q.106; 62Q.12; 62Q.135; 62Q.14; 62Q.145; 62Q.19; 62Q.23, paragraph (c); 62Q.43; 62Q.47; 62Q.50; 62Q.52 to 62Q.56; 62Q.58; 62Q.68 to 62Q.72; and 72A.201 will be met.

(d) All enforcement and rulemaking powers available under chapters 62D, 62J, 62M, 62N, and 62Q are hereby granted to the commissioner of health with respect to counties that purchase medical assistance services under this section.

(e) The commissioner, in consultation with county government, shall develop administrative and financial reporting requirements for county-based purchasing programs relating to sections 62D.041, 62D.042, 62D.045, 62D.08, 62N.28, 62N.29, and 62N.31, and other sections as necessary, that are specific to county administrative, accounting, and reporting systems and consistent with other statutory requirements of counties.

(f) The commissioner shall collect from a county-based purchasing plan under this section the following fees:

(1) fees attributable to the costs of audits and other examinations of plan financial operations. These fees are subject to the provisions of Minnesota Rules, part 4685.2800, subpart 1, item F;

(2) an annual fee of \$21,500, to be paid by June 15 of each calendar year, beginning in calendar year 2009; and

(3) for fiscal year 2009 only, a per-enrollee fee of 14.6 cents, based on the number of enrollees as of December 31, 2008.

All fees collected under this paragraph shall be deposited in the state government special revenue fund.

Sec. 71. Minnesota Statutes 2010, section 256B.692, subdivision 5, is amended to read:

Subd. 5. **County proposals.** (a) On or before September 1, 1997, a county board that wishes to purchase or provide health care under this section must submit a preliminary proposal that substantially demonstrates the county's ability to meet all the requirements of this section in response to criteria for proposals issued by the department on or before July 1, 1997. Counties submitting preliminary proposals must establish a local planning process that involves input from medical assistance recipients, recipient advocates, providers and representatives of local school districts, labor, and tribal government to advise on the development of a final proposal and its implementation.

(b) The county board must submit a final proposal on or before July 1, 1998, that demonstrates the ability to meet all the requirements of this section, including beginning enrollment on January 1, 1999, unless a delay has been granted under section 256B.69, subdivision 3a, paragraph (g).

(c) After January 1, 1999, for a county in which the prepaid medical assistance program is in existence, the county board must submit a ~~preliminary proposal at least 15 months prior to termination of health plan contracts in that county and a final~~ proposal that meets the requirements of this section six months prior to the health plan contract termination date in order to begin enrollment after the termination. Nothing in this section shall impede or delay implementation or continuation of the prepaid medical assistance program in counties for which the board does not submit a proposal, or submits a proposal that is not in compliance with this section.

(d) The commissioner is not required to terminate contracts for the prepaid medical assistance program that begin on or after September 1, 1997, in a county for which a county board has submitted a proposal under this paragraph, until two years have elapsed from the date of initial enrollment in the prepaid medical assistance program.

Sec. 72. Minnesota Statutes 2010, section 256B.692, subdivision 7, is amended to read:

Subd. 7. **Dispute resolution.** In the event the commissioner rejects a proposal under subdivision 6, the county board may request the ~~recommendation~~ decision of a three-person mediation panel. The commissioner shall resolve all disputes ~~after taking into account by following the recommendations~~ decision of the mediation panel. The panel shall be composed of one designee of the president of the Association of Minnesota Counties, one designee of the commissioner of human services, and one person selected jointly by the designee of the commissioner of human services and the designee of the Association of Minnesota Counties. Within a reasonable period of time before the hearing, the panelists must be provided all documents and information relevant to the mediation. The parties to the mediation must be given 30 days' notice of a hearing before the mediation panel.

Sec. 73. Minnesota Statutes 2010, section 256B.692, is amended by adding a subdivision to read:

Subd. 11. **Patient choice of qualified provider.** Effective January 1, 2012, a county board operating a county-based purchasing plan must ensure that each enrollee has the option of choosing a primary care provider or a health care home from all qualified providers who agree to accept the terms, conditions, and payment rates offered by the plan to similarly situated providers. Notwithstanding this requirement, reimbursement to federally qualified health centers and federally qualified health center look-alikes as defined in section 145.9269 must be in compliance with federal law.

Sec. 74. Minnesota Statutes 2010, section 256B.694, is amended to read:

256B.694 SOLE-SOURCE OR SINGLE-PLAN MANAGED CARE CONTRACT.

(a) Notwithstanding section 256B.692, subdivision 6, clause (1), paragraph (c), the commissioner of human services shall approve a county-based purchasing health plan proposal, submitted on behalf of Cass, Crow Wing, Morrison, Todd, and Wadena Counties, that requires county-based purchasing on a single-plan basis contract if the implementation of the single-plan purchasing proposal does not limit an enrollee's provider choice or access to services and all other requirements applicable to health plan purchasing are satisfied. The commissioner shall continue to use single-health plan, county-based purchasing arrangements for medical assistance and general assistance medical care programs and products for the counties that were in single-health plan, county-based purchasing arrangements on March 1, 2008. This paragraph does not require the commissioner to terminate an existing contract with a noncounty-based purchasing plan that had enrollment in a medical assistance program or product in these counties on March 1, 2008. This paragraph expires on December 31, 2010, or the effective date of a new contract for medical assistance and general assistance medical care managed care programs entered into at the conclusion of the commissioner's next scheduled procurement process for the county-based purchasing entities covered by this paragraph, whichever is later.

(b) At the request of a county or group of counties, the commissioner shall ~~consider, and may~~ approve, contracting on a single-health plan basis with ~~other~~ county-based purchasing plans, or with other qualified health plans that have coordination arrangements with counties, to serve persons ~~with a disability who voluntarily enroll,~~ enrolled in Minnesota health care programs in order to promote better coordination or integration of health care services, social services and other community-based services, provided that all requirements applicable to health plan purchasing, including those in section 256B.69, subdivision 23, are satisfied. Nothing in this paragraph supersedes or modifies the requirements in paragraph (a).

Sec. 75. Minnesota Statutes 2010, section 256B.76, subdivision 4, is amended to read:

Subd. 4. **Critical access dental providers.** (a) Effective for dental services rendered on or after January 1, 2002, the commissioner shall increase reimbursements to dentists and dental clinics deemed by the commissioner to be critical access dental providers. For dental services rendered on or after July 1, 2007, the commissioner shall increase reimbursement by 30 percent above the reimbursement rate that would otherwise be paid to the critical access dental provider. The commissioner shall pay the managed care plans and county-based purchasing plans in amounts sufficient to reflect increased reimbursements to critical access dental providers as approved by the commissioner.

(b) The commissioner shall designate the following dentists and dental clinics as critical access dental providers:

(1) nonprofit community clinics that:

(i) have nonprofit status in accordance with chapter 317A;

(ii) have tax exempt status in accordance with the Internal Revenue Code, section 501(c)(3);

(iii) are established to provide oral health services to patients who are low income, uninsured, have special needs, and are underserved;

(iv) have professional staff familiar with the cultural background of the clinic's patients;

(v) charge for services on a sliding fee scale designed to provide assistance to low-income patients based on current poverty income guidelines and family size;

(vi) do not restrict access or services because of a patient's financial limitations or public assistance status; and

(vii) have free care available as needed;

(2) federally qualified health centers, rural health clinics, and public health clinics;

(3) county owned and operated hospital-based dental clinics;

(4) a dental clinic or dental group owned and operated by a nonprofit corporation in accordance with chapter 317A with more than 10,000 patient encounters per year with patients who are uninsured or covered by medical assistance, general assistance medical care, or MinnesotaCare; and

(5) a dental clinic ~~associated with an oral health or dental education program~~ owned and operated by the University of Minnesota or ~~an institution within~~ the Minnesota State Colleges and Universities system.

(c) The commissioner may designate a dentist or dental clinic as a critical access dental provider if the dentist or dental clinic is willing to provide care to patients covered by medical assistance, general assistance medical care, or MinnesotaCare at a level which significantly increases access to dental care in the service area.

(d) Notwithstanding paragraph (a), critical access payments must not be made for dental services provided from April 1, 2010, through June 30, 2010.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 76. **[256B.7671] PATIENT-CENTERED DECISION-MAKING.**

(a) For purposes of this section, "patient-centered decision-making process" means a process that involves directed interaction with the patient to assist the patient in arriving at an informed objective health care decision regarding the surgical procedure that is both informed and consistent with the patient's preference and values. The interaction may be conducted by a health care provider or through the electronic use of decision aids. If decision aids are used in the process, the aids must meet the criteria established by the International Patients Decision Aids Standards Collaboration or the Cochrane Decision Aid Registry.

(b) Effective January 1, 2012, the commissioner of human services shall require active participation in a patient-centered decision-making process before authorization is approved or payment reimbursement is provided for any of the following:

(1) a surgical procedure for abnormal uterine bleeding, benign prostate enlargement, chronic back pain, early stage of breast and prostate cancers, gastroesophageal reflux disease, hemorrhoids, spinal stenosis, temporomandibular joint dysfunction, ulcerative colitis, urinary incontinence, uterine fibroids, or varicose veins; and

(2) bypass surgery for coronary disease, angioplasty for stable coronary artery disease, or total hip replacement.

(c) A list of the procedures in paragraph (b) shall be published in the State Register by October 1, 2011. The list shall be reviewed no less than every two years by the commissioner, in consultation with the commissioner of health. The commissioner shall hold a public forum and receive public comment prior to any changes to the list in paragraph (b). Any changes made shall be published in the State Register.

(d) Prior to receiving authorization or reimbursement for the procedures identified under this section, a health care provider must certify that the patient has participated in a patient-centered decision-making process. The format for this certification and the process for coordination between providers shall be developed by the Health Services Policy Committee under section 256B.0625, subdivision 3c.

(e) This section does not apply if any of the procedures identified in this section are performed under an emergency situation.

Sec. 77. **[256B.771] COMPLEMENTARY AND ALTERNATIVE MEDICINE DEMONSTRATION PROJECT.**

Subdivision 1. **Establishment and implementation.** The commissioner of human services, in consultation with the commissioner of health, shall contract with a Minnesota-based academic and research institution specializing in providing complementary and alternative medicine education and clinical services to establish and implement a five-year demonstration project in conjunction with federally qualified health centers and federally qualified health center look-alikes as defined in section 145.9269, to improve the quality and cost-effectiveness of care provided under medical assistance to enrollees with neck and back problems. The demonstration project must maximize the use of complementary and alternative medicine-oriented primary care providers, including but not

limited to physicians and chiropractors. The demonstration project must be designed to significantly improve physical and mental health for enrollees who present with neck and back problems while decreasing medical treatment costs. The commissioner, in consultation with the commissioner of health, shall deliver services through the demonstration project beginning July 1, 2011, or upon federal approval, whichever is later.

Subd. 2. **RFP and project criteria.** The commissioner, in consultation with the commissioner of health, shall develop and issue a request for proposal (RFP) for the demonstration project. The RFP must require the academic and research institution selected to demonstrate a proven track record over at least five years of conducting high-quality, federally funded clinical research. The institution and the federally qualified health centers and federally qualified health center look-alikes shall also:

(1) provide patient education, provider education, and enrollment training components on health and lifestyle issues in order to promote enrollee responsibility for health care decisions, enhance productivity, prepare enrollees to reenter the workforce, and reduce future health care expenditures;

(2) use high-quality and cost-effective integrated disease management that includes the best practices of traditional and complementary and alternative medicine;

(3) incorporate holistic medical care, appropriate nutrition, exercise, medications, and conflict resolution techniques;

(4) include a provider education component that makes use of professional organizations representing chiropractors, nurses, and other primary care providers and provides appropriate educational materials and activities in order to improve the integration of traditional medical care with licensed chiropractic services and other alternative health care services and achieve program enrollment objectives; and

(5) provide to the commissioner the information and data necessary for the commissioner to prepare the annual reports required under subdivision 6.

Subd. 3. **Enrollment.** Enrollees from the program shall be selected by the commissioner from current enrollees in the prepaid medical assistance program who have, or are determined to be at significant risk of developing, neck and back problems. Participation in the demonstration project shall be voluntary. The commissioner shall seek to enroll, over the term of the demonstration project, ten percent of current and future medical assistance enrollees who have, or are determined to be at significant risk of developing, neck and back problems.

Subd. 4. **Federal approval.** The commissioner shall seek any federal waivers and approvals necessary to implement the demonstration project.

Subd. 5. **Project costs.** The commissioner shall require the academic and research institution selected, federally qualified health centers, and federally qualified health center look-alikes to fund all net costs of the demonstration project.

Subd. 6. **Annual reports.** The commissioner, in consultation with the commissioner of health, beginning December 15, 2011, and each December 15 thereafter through December 15, 2015, shall report annually to the legislature on the functional and mental improvements of the populations served by the demonstration project, patient satisfaction, and the cost-effectiveness of the program. The reports must also include data on hospital admissions, days in hospital, rates of outpatient surgery and other services, and drug utilization. The report, due December 15, 2015, must include recommendations on whether the demonstration project should be continued and expanded.

Sec. 78. **[256B.841] WAIVER APPLICATION AND PROCESS.**

Subdivision 1. **Intent.** It is the intent of the legislature that medical assistance be:

(1) a sustainable, cost-effective, person-centered, and opportunity-driven program utilizing competitive and value-based purchasing to maximize available service options; and

(2) a results-oriented system of coordinated care that focuses on independence and choice, promotes accountability and transparency, encourages and rewards healthy outcomes and responsible choices, and promotes efficiency.

Subd. 2. **Waiver application.** (a) By September 1, 2011, the commissioner of human services shall apply for a waiver and any necessary state plan amendments from the secretary of the United States Department of Health and Human Services, including, but not limited to, a waiver of the appropriate sections of title XIX of the federal Social Security Act, United States Code, title 42, section 1396 et seq., or other provisions of federal law that provide program flexibility and under which Minnesota will operate all facets of the state's medical assistance program.

(b) The commissioner of human services shall provide the legislative committees with jurisdiction over health and human services finance and policy with the waiver application and financial and other related materials, at least ten days prior to submitting the application and materials to the federal Centers for Medicare and Medicaid Services.

(c) If the state's waiver application is approved, the commissioner of human services shall:

(1) notify the chairs of the legislative committees with jurisdiction over health and human services finance and policy and allow the legislative committees with jurisdiction over health and human services finance and policy to review the terms of the waiver; and

(2) not implement the waiver until ten legislative days have passed following notification of the chairs.

Subd. 3. **Rulemaking; legislative proposals.** Upon acceptance of the terms of the waiver, the commissioner of human services shall:

(1) adopt rules to implement the waiver; and

(2) propose any legislative changes necessary to implement the terms of the waiver.

Subd. 4. **Joint commission on waiver implementation.** (a) After acceptance of the terms of the waiver, the governor shall establish a joint commission on waiver implementation. The commission shall consist of eight members; four of whom shall be members of the senate, not more than three from the same political party, to be appointed by the Subcommittee on Committees of the senate Committee on Rules and Administration, and four of whom shall be members of the house of representatives, not more than three from the same political party, to be appointed by the speaker of the house.

(b) The commission shall:

(1) oversee implementation of the waiver;

(2) confer as necessary with state agency commissioners;

(3) make recommendations on services covered under the medical assistance program;

(4) monitor and make recommendations on quality and access to care under the global waiver; and

(5) make recommendations for the efficient and cost-effective administration of the medical assistance program under the terms of the waiver.

Sec. 79. **[256B.842] PRINCIPLES AND GOALS FOR MEDICAL ASSISTANCE REFORM.**

Subdivision 1. **Goals for reform.** In developing the waiver application and implementing the waiver, the commissioner of human services shall ensure that the reformed medical assistance program is a person-centered, financially sustainable, and cost-effective program.

Subd. 2. **Reformed medical assistance criteria.** The reformed medical assistance program established through the waiver must:

(1) empower consumers to make informed and cost-effective choices about their health and offer consumers rewards for healthy decisions;

(2) ensure adequate access to needed services;

(3) enable consumers to receive individualized health care that is outcome-oriented and focused on prevention, disease management, recovery, and maintaining independence;

(4) promote competition between health care providers to ensure best value purchasing, leverage resources, and to create opportunities for improving service quality and performance;

(5) redesign purchasing and payment methods and encourage and reward high-quality and cost-effective care by incorporating and expanding upon current payment reform and quality of care initiatives, including but not limited to those initiatives authorized under chapter 62U; and

(6) continually improve technology to take advantage of recent innovations and advances that help decision makers, consumers, and providers make informed and cost-effective decisions regarding health care.

Subd. 3. **Annual report.** The commissioner of human services shall annually submit a report to the governor and the legislature, beginning December 1, 2012, and each December 1 thereafter, describing the status of the administration and implementation of the waiver.

Sec. 80. **[256B.843] WAIVER APPLICATION REQUIREMENTS.**

Subdivision 1. **Requirements for waiver request.** The commissioner shall seek federal approval to:

(1) enter into a five-year agreement with the United States Department of Health and Human Services and Centers for Medicaid and Medicare Services (CMS) under section 1115a to waive provisions of title XIX of the federal Social Security Act, United States Code, title 42, section 1396 et seq., requiring:

(i) statewideness to allow for the provision of different services in different areas or regions of the state;

(ii) comparability of services to allow for the provision of different services to members of the same or different coverage groups;

(iii) no prohibitions restricting the amount, duration, and scope of services included in the medical assistance state plan;

(iv) no prohibitions limiting freedom of choice of providers; and

(v) retroactive payment for medical assistance, at the state's discretion;

(2) waive the applicable provisions of title XIX of the federal Social Security Act, United States Code, title 42, section 1396 et seq., in order to:

(i) expand cost sharing requirements above the five percent of income threshold for beneficiaries in certain populations;

(ii) establish health savings or power accounts that encourage and reward beneficiaries who reach certain prevention and wellness targets; and

(iii) implement a tiered set of parameters to use as the basis for determining long-term service care and setting needs;

(3) modify income and resource rules in a manner consistent with the goals of the reformed program;

(4) provide enrollees with a choice of appropriate private sector health coverage options, with full federal financial participation;

(5) treat payments made toward the cost of care as a monthly premium for beneficiaries receiving home and community-based services when applicable;

(6) provide health coverage and services to individuals over the age of 65 that are limited in scope and are available only in the home and community-based setting;

(7) consolidate all home and community-based services currently provided under title XIX of the federal Social Security Act, United States Code, title 42, section 1915(c), into a single program of home and community-based services that include options for consumer direction and shared living;

(8) expand disease management, care coordination, and wellness programs for all medical assistance recipients; and

(9) empower and encourage able-bodied medical assistance recipients to work, whenever possible.

Subd. 2. **Agency coordination.** The commissioner shall establish an intraagency assessment and coordination unit to ensure that decision making and program planning for recipients who may need long-term care, residential placement, and community support services are coordinated. The assessment and coordination unit shall determine level of care, develop service plans and a service budget, make referrals to appropriate settings, provide education and choice counseling to consumers and providers, track utilization, and monitor outcomes.

Sec. 81. Minnesota Statutes 2010, section 256L.01, subdivision 4a, is amended to read:

Subd. 4a. **Gross individual or gross family income.** (a) "Gross individual or gross family income" for nonfarm self-employed means income calculated for the ~~12-month~~ six-month period of eligibility using as a baseline the adjusted gross income reported on the applicant's federal income tax form for the previous year and adding back in depreciation, and carryover net operating loss amounts that apply to the business in which the family is currently engaged.

(b) "Gross individual or gross family income" for farm self-employed means income calculated for the ~~12-month~~ six-month period of eligibility using as the baseline the adjusted gross income reported on the applicant's federal income tax form for the previous year.

(c) "Gross individual or gross family income" means the total income for all family members, calculated for the ~~12-month~~ six-month period of eligibility.

Sec. 82. Minnesota Statutes 2010, 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 of representatives 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 management and budget 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 children in 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 children in 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.

EFFECTIVE DATE. This section is effective January 1, 2012, or upon federal approval, whichever is later, and expires June 30, 2013. The commissioner shall notify the revisor of statutes when federal approval is obtained and publish a notice in the State Register.

Sec. 83. Minnesota Statutes 2010, 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 of representatives 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 management and budget 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.

Sec. 84. Minnesota Statutes 2010, section 256L.03, subdivision 3, is amended to read:

Subd. 3. **Inpatient hospital services.** (a) Covered health services shall include inpatient hospital services, including inpatient hospital mental health services and inpatient hospital and residential chemical dependency treatment, subject to those limitations necessary to coordinate the provision of these services with eligibility under the medical assistance spenddown. The inpatient hospital benefit for adult enrollees who qualify under section 256L.04, subdivision 7, ~~or who qualify under section 256L.04, subdivisions 1 and 2, with family gross income that exceeds 200 percent of the federal poverty guidelines or 215 percent of the federal poverty guidelines on or after July 1, 2009, and who are not pregnant,~~ is subject to an annual limit of \$10,000.

(b) Admissions for inpatient hospital services paid for under section 256L.11, subdivision 3, must be certified as medically necessary in accordance with Minnesota Rules, parts 9505.0500 to 9505.0540, except as provided in clauses (1) and (2):

(1) all admissions must be certified, except those authorized under rules established under section 254A.03, subdivision 3, or approved under Medicare; and

(2) payment under section 256L.11, subdivision 3, shall be reduced by five percent for admissions for which certification is requested more than 30 days after the day of admission. The hospital may not seek payment from the enrollee for the amount of the payment reduction under this clause.

EFFECTIVE DATE. This section is effective January 1, 2012, or upon federal approval, whichever is later, and expires June 30, 2013. The commissioner shall notify the revisor of statutes when federal approval is obtained and publish a notice in the State Register.

Sec. 85. Minnesota Statutes 2010, section 256L.03, subdivision 5, is amended to read:

Subd. 5. ~~Co-payments and coinsurance~~ **Cost-sharing.** (a) Except as provided in paragraphs (b) ~~and~~ (c), ~~and~~ (h), the MinnesotaCare benefit plan shall include the following ~~co-payments and coinsurance~~ cost-sharing requirements for all enrollees:

(1) ten percent of the paid charges for inpatient hospital services for adult enrollees, subject to an annual inpatient out-of-pocket maximum of \$1,000 per individual;

(2) \$3 per prescription for adult enrollees;

(3) \$25 for eyeglasses for adult enrollees;

(4) \$3 per nonpreventive visit. For purposes of this subdivision, a "visit" means an episode of service which is required because of a recipient's symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting by a physician or physician ancillary, chiropractor, podiatrist, nurse midwife, advanced practice nurse, audiologist, optician, or optometrist; ~~and~~

(5) \$6 for nonemergency visits to a hospital-based emergency room for services provided through December 31, 2010, and \$3.50 effective January 1, 2011; and

(6) a family deductible equal to the maximum amount allowed under Code of Federal Regulations, title 42, part 447.54.

(b) Paragraph (a), clause (1), ~~does~~ and paragraph (e) do not apply to parents and relative caretakers of children under the age of 21.

(c) Paragraph (a) does not apply to pregnant women and children under the age of 21.

(d) Paragraph (a), clause (4), does not apply to mental health services.

(e) Adult enrollees ~~with family gross income that exceeds 200 percent of the federal poverty guidelines or 215 percent of the federal poverty guidelines on or after July 1, 2009, and~~ who are not pregnant shall be financially responsible for the coinsurance amount, if applicable, and amounts which exceed the \$10,000 inpatient hospital benefit limit.

(f) When a MinnesotaCare enrollee becomes a member of a prepaid health plan, or changes from one prepaid health plan to another during a calendar year, any charges submitted towards the \$10,000 annual inpatient benefit limit, and any out-of-pocket expenses incurred by the enrollee for inpatient services, that were submitted or incurred prior to enrollment, or prior to the change in health plans, shall be disregarded.

(g) MinnesotaCare reimbursements to fee-for-service providers and payments to managed care plans or county-based purchasing plans shall not be increased as a result of the reduction of the co-payments in paragraph (a), clause (5), effective January 1, 2011.

(h) Effective January 1, 2012, the following co-payments for nonpreventive visits shall apply to enrollees who are adults without children eligible under section 256L.04, subdivision 7:

(1) \$3 for visits to providers whose average, risk-adjusted, total annual cost of care per MinnesotaCare enrollee is at the 60th percentile or lower for providers of the same type;

(2) \$6 for visits to providers whose average, risk-adjusted, total annual cost of care per MinnesotaCare enrollee is greater than the 60th percentile but does not exceed the 80th percentile for providers of the same type; and

(3) \$10 for visits to providers whose average, risk-adjusted, total annual cost of care per MinnesotaCare enrollee is greater than the 80th percentile for providers of the same type.

Each managed care and county-based purchasing plan shall calculate the average, risk-adjusted, total annual cost of care for providers under this paragraph using a methodology that has been approved by the commissioner.

EFFECTIVE DATE. The amendments to paragraph (e) are effective January 1, 2012, or upon federal approval, whichever is later, and expires June 30, 2013. The commissioner shall notify the revisor of statutes when federal approval is obtained and publish a notice in the State Register.

Sec. 86. **[256L.031] HEALTHY MINNESOTA CONTRIBUTION PROGRAM.**

Subdivision 1. **Defined contributions to enrollees.** (a) Beginning January 1, 2012, the commissioner shall provide each MinnesotaCare enrollee eligible under section 256L.04, subdivision 7, with gross family income equal to or greater than 133 percent of the federal poverty guidelines, with a monthly defined contribution to purchase health coverage under a health plan as defined in section 62A.011, subdivision 3. Beginning January 1, 2012, or upon federal approval, whichever is later, the commissioner shall provide each MinnesotaCare enrollee eligible under section 256L.04, subdivision 1, with gross family income equal to or greater than 133 percent of the federal poverty guidelines, with a monthly defined contribution to purchase health coverage under a health plan as defined in section 62A.011, subdivision 3, offered by a health plan company as defined in section 62Q.01, subdivision 4.

(b) Enrollees eligible under paragraph (a) shall not be charged premiums under section 256L.15 and are exempt from the managed care enrollment requirement of section 256L.12.

(c) Sections 256L.03; 256L.05, subdivision 3; and 256L.11 do not apply to enrollees eligible under paragraph (a). Covered services, cost-sharing, disenrollment for nonpayment of premium, enrollee appeal rights and complaint procedures, and the effective date of coverage for enrollees eligible under paragraph (a) shall be as provided under the terms of the health plan purchased by the enrollee.

(d) Unless otherwise provided in this section, all MinnesotaCare requirements related to eligibility, income and asset methodology, income reporting, and program administration continue to apply to enrollees obtaining coverage under this section.

Subd. 2. **Use of defined contribution.** An enrollee may use up to the monthly defined contribution to pay premiums for coverage under a health plan as defined in section 62A.011, subdivision 3.

Subd. 3. **Determination of defined contribution amount.** (a) The commissioner shall determine the defined contribution sliding scale using the base contribution specified in paragraph (b) for the specified age ranges. The commissioner shall use a sliding scale for defined contributions that provides:

(1) persons with household incomes equal to 133 percent of the federal poverty guidelines with a defined contribution of 150 percent of the base contribution;

(2) persons with household incomes equal to 175 percent of the federal poverty guidelines with a defined contribution of 100 percent of the base contribution;

(3) persons with household incomes equal to or greater than 250 percent of the federal poverty guidelines with a defined contribution of 80 percent of the base contribution; and

(4) persons with household incomes in evenly spaced increments between the percentages of the federal poverty guideline specified in clauses (1) to (3) with a base contribution that is a percentage interpolated from the defined contribution percentages specified in clauses (1) to (3).

<u>Age</u>	<u>Monthly Per-Person Base Contribution</u>
<u>Under 21</u>	<u>\$122.79</u>
<u>21-29</u>	<u>122.79</u>
<u>30-31</u>	<u>129.19</u>
<u>32-33</u>	<u>132.38</u>
<u>34-35</u>	<u>134.31</u>
<u>36-37</u>	<u>136.06</u>
<u>38-39</u>	<u>141.02</u>
<u>40-41</u>	<u>151.25</u>
<u>42-43</u>	<u>159.89</u>
<u>44-45</u>	<u>175.08</u>
<u>46-47</u>	<u>191.71</u>
<u>48-49</u>	<u>213.13</u>
<u>50-51</u>	<u>239.51</u>
<u>52-53</u>	<u>266.69</u>
<u>54-55</u>	<u>293.88</u>
<u>56-57</u>	<u>323.77</u>
<u>58-59</u>	<u>341.20</u>
<u>60+</u>	<u>357.19</u>

(b) The commissioner shall multiply the defined contribution amounts developed under paragraph (a) by 1.20 for enrollees who are denied coverage under an individual health plan by a health plan company and who purchase coverage through the Minnesota Comprehensive Health Association.

(c) Notwithstanding paragraphs (a) and (b), the monthly defined contribution shall not exceed 90 percent of the monthly premium for the health plan purchased by the enrollee. If the enrollee purchases coverage under a health plan that does not include mental health services and chemical dependency treatment services, the monthly defined contribution amount determined under this subdivision shall be reduced by five percent.

Subd. 4. **Administration by commissioner.** The commissioner shall administer the defined contributions. The commissioner shall:

(1) calculate and process defined contributions for enrollees; and

(2) pay the defined contribution amount to health plan companies or the Minnesota Comprehensive Health Association, as applicable, for enrollee health plan coverage.

Subd. 5. **Assistance to enrollees.** The commissioner of human services, in consultation with the commissioner of commerce, shall develop an efficient and cost-effective method of referring eligible applicants to professional insurance agent associations.

Subd. 6. **Minnesota Comprehensive Health Association (MCHA).** Beginning January 1, 2012, MinnesotaCare enrollees who are denied coverage under an individual health plan by a health plan company are eligible for coverage through a health plan offered by the MCHA and may enroll in MCHA according to section 62E.14. Any difference between the revenue and covered losses to the MCHA related to implementation of this section shall be paid to the MCHA from the health care access fund.

Subd. 7. **Federal approval.** The commissioner shall seek all federal waivers and approvals necessary to implement coverage under this section for MinnesotaCare enrollees eligible under section 256L.04, subdivision 1, with gross family incomes equal to or greater than 133 percent of the federal poverty guidelines, while continuing to receive federal matching funds.

Sec. 87. Minnesota Statutes 2010, section 256L.04, subdivision 1, is amended to read:

Subdivision 1. **Families with children.** (a) ~~Families with~~ Children with family income equal to or less than 275 percent of the federal poverty guidelines for the applicable family size and adults in families with children with family income equal to or less than 200 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, 2010, or upon federal approval, whichever is later, parents are not eligible for MinnesotaCare if their gross income exceeds \$57,500.

~~(e) Children formerly enrolled in medical assistance and automatically deemed eligible for MinnesotaCare according to section 256B.057, subdivision 2c, are exempt from the requirements of this section until renewal.~~

(f) [Reserved.]

EFFECTIVE DATE. This section is effective January 1, 2012, or upon federal approval, whichever is later, and expires June 30, 2013, except that the amendment striking paragraph (e) is effective retroactively from October 1, 2008, does not expire, and federal approval is no longer necessary. The commissioner shall notify the revisor of statutes when federal approval is obtained and publish a notice in the State Register.

Sec. 88. Minnesota Statutes 2010, section 256L.04, subdivision 7, is amended to read:

Subd. 7. **Single adults and households with no children.** ~~(a)~~ The definition of eligible persons includes all individuals and households with no children who have gross family incomes that are equal to or less than 200 percent of the federal poverty guidelines.

~~(b) Effective July 1, 2009, the definition of eligible persons includes all individuals and households with no children who have gross family incomes that are equal to or less than 250 percent of the federal poverty guidelines.~~

EFFECTIVE DATE. This section is effective January 1, 2012, and expires June 30, 2013.

Sec. 89. Minnesota Statutes 2010, section 256L.05, subdivision 2, is amended to read:

Subd. 2. **Commissioner's duties.** (a) The commissioner or county agency shall use electronic verification as the primary method of income verification. If there is a discrepancy between reported income and electronically verified income, an individual may be required to submit additional verification. In addition, the commissioner shall perform random audits to verify reported income and eligibility. The commissioner may execute data sharing arrangements with the Department of Revenue and any other governmental agency in order to perform income verification related to eligibility and premium payment under the MinnesotaCare program.

(b) In determining eligibility for MinnesotaCare, the commissioner shall require applicants and enrollees seeking renewal of eligibility to verify both earned and unearned income. The commissioner shall also require applicants and enrollees to submit the names of their employers and a contact name with a phone number for each employer for purposes of verifying whether the applicant or enrollee, and any dependents, are eligible for employer-subsidized coverage. Data collected is nonpublic data as defined in section 13.02, subdivision 9.

Sec. 90. Minnesota Statutes 2010, section 256L.05, subdivision 3a, is amended to read:

Subd. 3a. **Renewal of eligibility.** (a) Beginning July 1, ~~2007~~ 2011, an enrollee's eligibility must be renewed every ~~12~~ six months. ~~The 12-month period begins in the month after the month the application is approved.~~

(b) The first six-month period of eligibility begins the month the application is received by the commissioner. The effective date of coverage within the first six-month period of eligibility is as provided in subdivision 3. Each new period of eligibility must take into account any changes in circumstances that impact eligibility and premium amount. An enrollee must provide all the information needed to redetermine eligibility by the first day of the month that ends the eligibility period. If there is no change in circumstances, the enrollee may renew eligibility at designated locations that include community clinics and health care providers' offices. The designated sites shall forward the renewal forms to the commissioner. The commissioner may establish criteria and timelines for sites to forward applications to the commissioner or county agencies. The premium for the new period of eligibility must be received as provided in section 256L.06 in order for eligibility to continue.

(c) An enrollee who fails to submit renewal forms and related documentation necessary for verification of continued eligibility in a timely manner shall remain eligible for one additional month beyond the end of the current eligibility period before being disenrolled. The enrollee remains responsible for MinnesotaCare premiums for the additional month.

Sec. 91. Minnesota Statutes 2010, section 256L.05, subdivision 5, is amended to read:

Subd. 5. **Availability of private insurance.** 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 upon initial enrollment and annually thereafter. The commissioner shall also include information regarding the availability of private health insurance coverage in the notice of ineligibility provided to persons subject to disenrollment under section 256L.07, subdivision 1, paragraphs (b) and (c).

EFFECTIVE DATE. This section is effective January 1, 2012, and expires June 30, 2013.

Sec. 92. Minnesota Statutes 2010, section 256L.05, is amended by adding a subdivision to read:

Subd. 6. **Referral of veterans.** The commissioner shall ensure that all applicants for MinnesotaCare with incomes less than 133 percent of the federal poverty guidelines who identify themselves as veterans are referred to a county veterans service officer for assistance in applying to the United States Department of Veterans Affairs for any veterans benefits for which they may be eligible.

Sec. 93. Minnesota Statutes 2010, section 256L.07, subdivision 1, is amended to read:

Subdivision 1. **General requirements.** (a) Children enrolled in the original children's health plan as of September 30, 1992, children who enrolled in the MinnesotaCare program after September 30, 1992, pursuant to Laws 1992, chapter 549, article 4, section 17, and children who have family gross incomes that are equal to or less than 150 percent of the federal poverty guidelines are eligible without meeting the requirements of subdivision 2 and the four-month requirement in subdivision 3, as long as they maintain continuous coverage in the MinnesotaCare program or medical assistance. Children who apply for MinnesotaCare on or after the implementation date of the employer-subsidized health coverage program as described in Laws 1998, chapter 407, article 5, section 45, who have family gross incomes that are equal to or less than 150 percent of the federal poverty guidelines, must meet the requirements of subdivision 2 to be eligible for MinnesotaCare.

(b) Families enrolled in MinnesotaCare under section 256L.04, subdivision 1, whose income increases above 275 percent of the federal poverty guidelines, are no longer eligible for the program and shall be disenrolled by the commissioner. ~~Beginning January 1, 2008,~~

(c) Individuals enrolled in MinnesotaCare under section 256L.04, subdivision 7, whose income increases above ~~200 percent of the federal poverty guidelines or 250 percent of the federal poverty guidelines on or after July 1, 2009,~~ the limits described in section 256L.04, subdivision 7, are no longer eligible for the program and shall be disenrolled by the commissioner.

(d) For persons disenrolled under this subdivision, MinnesotaCare coverage terminates the last day of the calendar month following the month in which the commissioner determines that the income of a family or individual exceeds program income limits.

~~(b)~~ (e) Notwithstanding paragraph (a), children may remain enrolled in MinnesotaCare if ten percent of their gross individual or gross family income as defined in section 256L.01, subdivision 4, is less than the ~~annual~~ premium for a six-month policy with a \$500 deductible available through the Minnesota Comprehensive Health Association. Children who are no longer eligible for MinnesotaCare under this clause shall be given a 12-month notice period from the date that ineligibility is determined before disenrollment. The premium for children remaining eligible under this clause shall be the maximum premium determined under section 256L.15, subdivision 2, paragraph (b).

~~(e)~~ (f) Notwithstanding paragraphs (a) and ~~(b)~~ (e), parents are not eligible for MinnesotaCare if gross household income exceeds ~~\$57,500 for the 12-month~~ \$25,000 for the six-month period of eligibility.

EFFECTIVE DATE. This section is effective January 1, 2012, and expires June 30, 2013, except the amendments to the new paragraphs (e) and (f) are effective July 1, 2011, and do not expire.

Sec. 94. Minnesota Statutes 2010, section 256L.07, subdivision 1, is amended to read:

Subdivision 1. **General requirements.** (a) Children enrolled in the original children's health plan as of September 30, 1992, children who enrolled in the MinnesotaCare program after September 30, 1992, pursuant to Laws 1992, chapter 549, article 4, section 17, and children who have family gross incomes that are equal to or less than 150 percent of the federal poverty guidelines are eligible without meeting the requirements of subdivision 2 and the four-month requirement in subdivision 3, as long as they maintain continuous coverage in the MinnesotaCare program or medical assistance. Children who apply for MinnesotaCare on or after the implementation date of the employer-subsidized health coverage program as described in Laws 1998, chapter 407, article 5, section 45, who have family gross incomes that are equal to or less than 150 percent of the federal poverty guidelines, must meet the requirements of subdivision 2 to be eligible for MinnesotaCare.

(b) Families enrolled in MinnesotaCare under section 256L.04, subdivision 1, whose income increases above ~~275 percent of the federal poverty guidelines~~ the limits described in section 256L.04, subdivision 1, are no longer eligible for the program and shall be disenrolled by the commissioner.

(c) Beginning January 1, 2008, individuals enrolled in MinnesotaCare under section 256L.04, subdivision 7, whose income increases above 200 percent of the federal poverty guidelines or 250 percent of the federal poverty guidelines on or after July 1, 2009, are no longer eligible for the program and shall be disenrolled by the commissioner.

(d) For persons disenrolled under this subdivision, MinnesotaCare coverage terminates the last day of the calendar month following the month in which the commissioner determines that the income of a family or individual exceeds program income limits.

~~(b)~~ (e) Notwithstanding paragraph (a), children may remain enrolled in MinnesotaCare if ten percent of their gross individual or gross family income as defined in section 256L.01, subdivision 4, is less than the annual premium for a policy with a \$500 deductible available through the Minnesota Comprehensive Health Association. Children who are no longer eligible for MinnesotaCare under this clause shall be given a 12-month notice period from the date that ineligibility is determined before disenrollment. The premium for children remaining eligible under this clause shall be the maximum premium determined under section 256L.15, subdivision 2, paragraph (b).

~~(e)~~ (f) Notwithstanding paragraphs (a) and ~~(b)~~ (e), parents are not eligible for MinnesotaCare if gross household income exceeds \$57,500 for the 12-month period of eligibility.

EFFECTIVE DATE. The amendment in paragraph (b) is effective January 1, 2012, or upon federal approval whichever is later, and expires June 30, 2013. The commissioner shall notify the revisor of statutes when federal approval is obtained and publish a notice in the State Register.

Sec. 95. Minnesota Statutes 2010, section 256L.09, subdivision 4, is amended to read:

Subd. 4. **Eligibility as Minnesota resident.** (a) For purposes of this section, a permanent Minnesota resident is a person who has demonstrated, through persuasive and objective evidence, that the person is domiciled in the state and intends to live in the state permanently.

(b) To be eligible as a permanent resident, an applicant must demonstrate the requisite intent to live in the state permanently by:

(1) showing that the applicant maintains a residence at a verified address other than a place of public accommodation, unless the place of public accommodation is the person's primary or only residence, through the use of evidence of residence described in section 256D.02, subdivision 12a, paragraph (b), clause ~~(2)~~ (1);

(2) demonstrating that the applicant has been continuously domiciled in the state for no less than 180 days immediately before the application; and

(3) signing an affidavit declaring that (A) the applicant currently resides in the state and intends to reside in the state permanently; and (B) the applicant did not come to the state for the primary purpose of obtaining medical coverage or treatment.

(c) A person who is temporarily absent from the state does not lose eligibility for MinnesotaCare. "Temporarily absent from the state" means the person is out of the state for a temporary purpose and intends to return when the purpose of the absence has been accomplished. A person is not temporarily absent from the state if another state has determined that the person is a resident for any purpose. If temporarily absent from the state, the person must follow the requirements of the health plan in which the person is enrolled to receive services.

Sec. 96. Minnesota Statutes 2010, section 256L.11, subdivision 7, is amended to read:

Subd. 7. **Critical access dental providers.** Effective for dental services provided to MinnesotaCare enrollees on or after ~~January 1, 2007~~, July 1, 2011, the commissioner shall increase payment rates to dentists and dental clinics deemed by the commissioner to be critical access providers under section 256B.76, subdivision 4, by ~~50~~ 30 percent above the payment rate that would otherwise be paid to the provider. The commissioner shall pay the prepaid health plans under contract with the commissioner amounts sufficient to reflect this rate increase. The prepaid health plan must pass this rate increase to providers who have been identified by the commissioner as critical access dental providers under section 256B.76, subdivision 4.

Sec. 97. Minnesota Statutes 2010, section 256L.12, subdivision 9, is amended to read:

Subd. 9. **Rate setting; performance withholds.** (a) Rates will be prospective, per capita, where possible. The commissioner may allow health plans to arrange for inpatient hospital services on a risk or nonrisk basis. The commissioner shall consult with an independent actuary to determine appropriate rates.

(b) For services rendered on or after January 1, 2004, the commissioner shall withhold five percent of managed care plan payments and county-based purchasing plan payments under this section pending completion of performance targets. Each performance target must be quantifiable, objective, measurable, and reasonably attainable, except in the case of a performance target based on a federal or state law or rule. Criteria for assessment of each performance target must be outlined in writing prior to the contract effective date. The managed care plan must demonstrate, to the commissioner's satisfaction, that the data submitted regarding attainment of the performance target is accurate. The commissioner shall periodically change the administrative measures used as performance targets in order to improve plan performance across a broader range of administrative services. The performance targets must include measurement of plan efforts to contain spending on health care services and

administrative activities. The commissioner may adopt plan-specific performance targets that take into account factors affecting only one plan, such as characteristics of the plan's enrollee population. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if performance targets in the contract are achieved.

(c) For services rendered on or after January 1, 2011, the commissioner shall withhold an additional three percent of managed care plan or county-based purchasing plan payments under this section. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year. The return of the withhold under this paragraph is not subject to the requirements of paragraph (b).

(d) Effective for services rendered on or after January 1, 2011, the commissioner shall include as part of the performance targets described in paragraph (b) a reduction in the plan's emergency room utilization rate for state health care program enrollees by a measurable rate of five percent from the plan's utilization rate for the previous calendar year.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan demonstrates to the satisfaction of the commissioner that a reduction in the utilization rate was achieved.

The withhold described in this paragraph shall continue for each consecutive contract period until the plan's emergency room utilization rate for state health care program enrollees is reduced by 25 percent of the plan's emergency room utilization rate for state health care program enrollees for calendar year 2009. Hospitals shall cooperate with the health plans in meeting this performance target and shall accept payment withholds that may be returned to the hospitals if the performance target is achieved. The commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilization less than the targeted amount. The withhold described in this paragraph does not apply to county-based purchasing plans.

(e) Effective for services provided on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (b) a reduction in the plan's hospitalization rate for a subsequent hospitalization within 30 days of a previous hospitalization of a patient regardless of the reason for the hospitalization for state health care program enrollees by a measurable rate of five percent from the plan's hospitalization rate for the previous calendar year.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that a reduction in the hospitalization rate was achieved.

The withhold described in this paragraph must continue for each consecutive contract period until the plan's subsequent hospitalization rate for state health care program enrollees is reduced by 25 percent of the plan's subsequent hospitalization rate for state health care program enrollees for calendar year 2010. Hospitals shall cooperate with the plans in meeting this performance target and shall accept payment withholds that must be returned to the hospitals if the performance target is achieved. The commissioner shall structure the withhold so that the commissioner returns a portion of the withheld funds in amounts commensurate with achieved reductions in utilizations less than the targeted amount. The withhold described in this paragraph does not apply to county-based purchasing plans.

(e) (f) A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this section that is reasonably expected to be returned.

Sec. 98. Minnesota Statutes 2010, section 256L.15, subdivision 1a, is amended to read:

Subd. 1a. **Payment options.** 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.

The commissioner shall include information about the payment options on each premium notice. 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.

Sec. 99. Laws 2008, chapter 363, article 18, section 3, subdivision 5, is amended to read:

Subd. 5. **Basic Health Care Grants**

(a) **MinnesotaCare Grants**

Health Care Access	-0-	(770,000)
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Incentive Program and Outreach Grants. Of the appropriation for the Minnesota health care outreach program in Laws 2007, chapter 147, article 19, section 3, subdivision 7, paragraph (b):

(1) \$400,000 in fiscal year 2009 from the general fund and \$200,000 in fiscal year 2009 from the health care access fund are for the incentive program under Minnesota Statutes, section 256.962, subdivision 5. For the biennium beginning July 1, 2009, base level funding for this activity shall be \$360,000 from the general fund and \$160,000 from the health care access fund; and

(2) \$100,000 in fiscal year 2009 from the general fund and \$50,000 in fiscal year 2009 from the health care access fund are for the outreach grants under Minnesota Statutes, section 256.962, subdivision 2. For the biennium beginning July 1, 2009, base level funding for this activity shall be \$90,000 from the general fund and \$40,000 from the health care access fund.

(b) MA Basic Health Care Grants - Families and Children

-0-

(17,280,000)

Third-Party Liability. (a) During fiscal year 2009, the commissioner shall employ a contractor paid on a percentage basis to improve third-party collections. Improvement initiatives may include, but not be limited to, efforts to improve postpayment collection from nonresponsive claims and efforts to uncover third-party payers the commissioner has been unable to identify.

(b) In fiscal year 2009, the first \$1,098,000 of recoveries, after contract payments and federal repayments, is appropriated to the commissioner for technology-related expenses.

Administrative Costs. (a) For contracts effective on or after January 1, 2009, the commissioner shall limit aggregate administrative costs paid to managed care plans under Minnesota Statutes, section 256B.69, and to county-based purchasing plans under Minnesota Statutes, section 256B.692, to an overall average of ~~6.6~~ 6.1 percent of total contract payments under Minnesota Statutes, sections 256B.69 and 256B.692, for each calendar year. For purposes of this paragraph, administrative costs do not include premium taxes paid under Minnesota Statutes, section 297I.05, subdivision 5, and provider surcharges paid under Minnesota Statutes, section 256.9657, subdivision 3.

(b) Notwithstanding any law to the contrary, the commissioner may reduce or eliminate administrative requirements to meet the administrative target under paragraph (a).

(c) Notwithstanding any contrary provision of this article, this rider shall not expire.

Hospital Payment Delay. Notwithstanding Laws 2005, First Special Session chapter 4, article 9, section 2, subdivision 6, payments from the Medicaid Management Information System that would otherwise have been made for inpatient hospital services for medical assistance enrollees are delayed as follows: (1) for fiscal year 2008, June payments must be included in the first payments in fiscal year 2009; and (2) for fiscal year 2009, June payments must be included in the first payment of fiscal year 2010. The provisions of Minnesota Statutes, section 16A.124, do not apply to these delayed payments. Notwithstanding any contrary provision in this article, this paragraph expires on June 30, 2010.

(c) MA Basic Health Care Grants - Elderly and Disabled

(14,028,000)

(9,368,000)

Minnesota Disability Health Options Rate Setting Methodology. The commissioner shall develop and implement a methodology for risk adjusting payments for community alternatives for disabled individuals (CADI) and traumatic brain injury (TBI) home and community-based waiver services delivered

under the Minnesota disability health options program (MnDHO) effective January 1, 2009. The commissioner shall take into account the weighting system used to determine county waiver allocations in developing the new payment methodology. Growth in the number of enrollees receiving CADI or TBI waiver payments through MnDHO is limited to an increase of 200 enrollees in each calendar year from January 2009 through December 2011. If those limits are reached, additional members may be enrolled in MnDHO for basic care services only as defined under Minnesota Statutes, section 256B.69, subdivision 28, and the commissioner may establish a waiting list for future access of MnDHO members to those waiver services.

MA Basic Elderly and Disabled Adjustments. For the fiscal year ending June 30, 2009, the commissioner may adjust the rates for each service affected by rate changes under this section in such a manner across the fiscal year to achieve the necessary cost savings and minimize disruption to service providers, notwithstanding the requirements of Laws 2007, chapter 147, article 7, section 71.

(d) General Assistance Medical Care Grants	-0-	(6,971,000)
(e) Other Health Care Grants	-0-	(17,000)

MinnesotaCare Outreach Grants Special Revenue Account. The balance in the MinnesotaCare outreach grants special revenue account on July 1, 2009, estimated to be \$900,000, must be transferred to the general fund.

Grants Reduction. Effective July 1, 2008, base level funding for nonforecast, general fund health care grants issued under this paragraph shall be reduced by 1.8 percent at the allotment level.

Sec. 100. PLAN TO COORDINATE CARE FOR CHILDREN WITH HIGH-COST MENTAL HEALTH CONDITIONS.

The commissioner of human services shall develop and submit to the legislature by December 15, 2011, a plan to provide care coordination to medical assistance and MinnesotaCare enrollees who are children with high-cost mental health conditions. For purposes of this section, a child has a "high-cost mental health condition" if mental health and medical expenses over the past year totalled \$100,000 or more. For purposes of this section, "care coordination" means collaboration between an advanced practice nurse and primary care physicians and specialists to manage care; development of mental health management plans for recurrent mental health issues; oversight and coordination of all aspects of care in partnership with families; organization of medical, treatment, and therapy information into a summary of critical information; coordination and appropriate sequencing of evaluations and multiple appointments; information and assistance with accessing resources; and telephone triage for behavior or other problems.

Sec. 101. **DATA ON CLAIMS AND UTILIZATION.**

The commissioner of human services, in consultation with the Health and Human Services Reform Committee, shall develop and provide to the legislature by December 15, 2011, a methodology and any draft legislation necessary to allow for the release, upon request, of summary data as defined in Minnesota Statutes, section 13.02, subdivision 19, on claims and utilization for medical assistance, general assistance medical care, and MinnesotaCare enrollees at no charge to the University of Minnesota Medical School, the Mayo Medical School, Northwestern Health Sciences University, the Institute for Clinical Systems Improvement, and other research institutions to conduct analyses of health care outcomes and treatment effectiveness, provided the research institutions do not release private or nonpublic data or data for which dissemination is prohibited by law.

Sec. 102. **REDUCTION OF STATE-MANDATED ADMINISTRATIVE REPORTS.**

(a) The commissioner of management and budget shall convene a report reduction working group of persons designated by the commissioners of health, human services, and commerce to eliminate redundant, unnecessary, obsolete, and low-priority state-mandated administrative reports required of health plans and county-based purchasing plans that serve persons enrolled in Minnesota health care programs. The commissioner of management and budget and the report reduction working group shall develop a plan to oversee the report reduction activities of the individual state agencies and coordinate the activities of multiple state agencies to consolidate reports or eliminate redundant reports required by more than one state agency on the same or a similar topic.

(b) The commissioners of health, human services, and commerce shall reduce, eliminate, or consolidate state-mandated reports according to the plan developed by the commissioner of management and budget through the report reduction working group. In addition to other report reduction actions the commissioners or the working group may undertake, the commissioners shall:

(1) collect encounter data, including provider payment data if collected, in a consolidated report provided to a single state agency, with the data collected by that state agency to be shared with other state agencies who need the data;

(2) collect only one provider network report annually through a single state agency, with the data collected by that state agency to be shared with other state agencies who need the data;

(3) collect only one standard financial report through a single state agency, with the data collected by that state agency to be shared with other state agencies who need the data. Data collected must be of a nature and in a format to allow comparison of the cost-effectiveness of fee-for-service payment systems and prepaid programs administered by health plans and county-based purchasing plans;

(4) consolidate and simplify reports and documentation requirements relating to member communications and marketing materials, and establish a single review process for all programs, products, and agencies in order to ensure uniform and consistent regulation of health plan contracts;

(5) consolidate state regulation and oversight of health plans and county-based purchasing plans so that activities of multiple agencies are administered through an efficient and uniform multiagency process of oversight and audits, with consistent standards, measures, and definitions for state oversight of quality, utilization management, care management, delegation accountability, access to care, appeals and grievances, and financial management;

(6) establish uniform requirements and procedures for denial, termination, or reduction of services and member appeals and grievances, and align state requirements and procedures with federal requirements and procedures; and

(7) reform the state's performance improvement projects, requirements, and procedures to be more flexible and efficient, and to place greater focus on measuring improvement of outcomes and less on mandating detailed or prescriptive requirements for specific performance improvement projects or activities.

(d) New reporting requirements or ad hoc report requests shall be established by a state agency only:

(1) if required by a federal agency;

(2) if needed for a state regulatory audit or corrective action plan; or

(3) after the completion of a review and analysis, and the development of recommendations by the commissioner of management and budget, in consultation with the report reduction working group, regarding the necessity, importance, and administrative cost of the new report, and after completing a review to determine whether the information sought can be obtained through another available state or federal report. The results of the review, analysis, and recommendations of the commissioner of management and budget must be provided to health plans and county-based purchasing plans for review and comment at least 60 days before a new report or requirement is established.

(e) To the extent possible, all state agencies shall use the procedures, reports, and audits of the Centers for Medicare and Medicaid Services instead of requiring an additional state-mandated report on the same or a similar topic.

(f) By January 15, 2012, the commissioner of management and budget shall provide a report on the activities and results of the report reduction project to the legislature. The report must include:

(1) a timetable for report reduction actions already taken or planned by the commissioners or the report reduction working group;

(2) the specific reports that have been or will be eliminated or consolidated;

(3) the amount of money that will be saved through reductions in administrative costs of health plans and county-based purchasing plans as a result of the report reduction project; and

(4) proposed legislation for changes to laws or rules that are needed to allow state agencies to further reduce, consolidate, or eliminate reports when the changes cannot be made administratively.

Sec. 103. **COMPETITIVE BIDDING PILOT.**

For managed care contracts effective January 1, 2012, the commissioner of human services is required to establish a competitive price bidding pilot for nonelderly, nondisabled adults and children in medical assistance and MinnesotaCare in the seven-county metropolitan area. The pilot must allow a minimum of two managed care organizations to serve the metropolitan area. The pilot shall expire after two full calendar years on December 31, 2013. The commissioner of human service shall conduct an evaluation of the pilot to determine the cost-effectiveness and impacts to provider access at the end of the two-year period. The commissioner must consult with other states that have experience implementing competitive bidding in their medical assistance population and incorporate best practices from those states in designing this pilot. The commissioner, prior to implementation, must also consult with stakeholders on the design and implementation of the pilot, including providers, plans, advocacy groups, and other interested parties.

Sec. 104. **REQUEST FOR PROPOSAL; PROVIDER BILLING PATTERNS.**

(a) The commissioner of human services shall issue a request for proposal, using existing resources, to identify abnormal provider billing patterns in order to prevent and identify improper medical assistance payments.

(b) The request for proposal must include the following requirements for the contractor:

(1) identification and reporting of improper claims, outlier claims, and improper payments, both prior to and subsequent to reimbursement;

(2) utilization of fraud detection methods that maximize contemporary predictive analytic tools, including but not limited to identity analytics, link analysis, and matching capabilities;

(3) utilization of data analytics that improve fraud detection through the identification of outlier reimbursement;

(4) reduction in state expenditures by reducing or eliminating payouts of improper medical assistance claims; and

(5) demonstrated success with other states and state agencies using the specified proposed solution, deployment, and implementation.

(c) The commissioner shall enter into a contract for the services in this section by October 1, 2011. The contract must incorporate a performance-based vendor financing mechanism under which the vendor shares in the risk of the project's success.

Sec. 105. **HEALTH SERVICES POLICY COMMITTEE STUDIES.**

(a) The commissioner of human services, through the health services policy committee established under Minnesota Statutes, section 256B.0625, subdivision 3c, shall identify and review medical assistance services provided by health care professionals who are not trained to provide the services in a high-quality manner. The commissioner shall develop a process to limit payment for medical assistance services to providers who are not appropriately trained to provide the service, and shall present recommendations and draft legislation by January 15, 2012, to the legislature.

(b) The commissioner of human services, through the health services policy committee established under Minnesota Statutes, section 256B.0625, subdivision 3c, shall study the effectiveness of new strategies for wound care treatment for medical assistance and MinnesotaCare enrollees with diabetes, including but not limited to the use of new wound care technologies, assessment tools, and reporting programs. The commissioner shall present recommendations by December 15, 2011, to the legislature on whether these new strategies for wound care treatment should be covered under medical assistance and MinnesotaCare.

Sec. 106. **SPECIALIZED MAINTENANCE THERAPY.**

The commissioner of human services shall evaluate whether providing medical assistance coverage for specialized maintenance therapy for enrollees with serious and persistent mental illness who are at risk of hospitalization will improve the quality of care and lower medical assistance spending by reducing rates of hospitalization. The commissioner shall present findings and recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services finance and policy by December 15, 2011.

Sec. 107. **COVERAGE FOR LOWER-INCOME MINNESOTACARE ENROLLEES.**

The commissioner of human services shall develop and present to the legislature, by December 15, 2011, a plan to redesign service delivery for MinnesotaCare enrollees eligible under Minnesota Statutes, section 256L.04, subdivisions 1 and 7, with incomes less than 133 percent of the federal poverty guidelines. The plan must be designed to improve continuity and quality of care, reduce unnecessary emergency room visits, and reduce average per-enrollee costs. In developing the plan, the commissioner shall consider innovative methods of service delivery, including but not limited to increasing the use and choice of private sector health plan coverage and encouraging the use of community health clinics, as defined in the federal Community Health Care Act of 1964, as health care homes.

Sec. 108. **DIRECTION TO COMMISSIONER; FEDERAL WAIVERS.**

(a) The commissioner of human services shall apply to the Centers for Medicare and Medicaid Services (CMS) for federal waivers to cover:

(1) families with children eligible under Minnesota Statutes, section 256L.04, subdivision 1; and

(2) adults eligible under Minnesota Statutes, section 256L.04, subdivision 1, under the MinnesotaCare healthy Minnesota contribution program established under Minnesota Statutes, section 256L.031, by July 1, 2011. The commissioner shall report to the legislative committees with jurisdiction over health and human services policy and finance whether or not the federal waiver application was accepted within ten working days of receipt of the decision.

(b) The commissioner of human services shall apply to the CMS for a section 1115(a) demonstration waiver, and any other necessary federal waivers and amendments, including, but not limited to, a waiver of the appropriate sections of title XIX, United States Code, title 42, section 1396a, and a waiver of any applicable federal maintenance of effort provisions that would provide Minnesota with medical assistance program flexibility in exchange for federal budget certainty. The commissioner shall seek federal approval to enter into an agreement with CMS under which Minnesota would:

(1) accept an aggregate annual allotment for the medical assistance program, trended forward at an agreed upon rate, with protections to cover medical inflation and projected caseload growth; and

(2) receive federal waivers of Medicaid requirements related to: statewideness and comparability of services; the amount, duration, and scope of services; freedom of choice; cost-sharing; and other areas of program administration specified by the commissioner.

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

Sec. 109. **TRANSPARENCY AND QUALITY REPORTING FOR PUBLIC HEALTH CARE PROGRAMS.**

When negotiating with external vendors to provide managed care services, the commissioner of human services shall require use of an advanced request for information tool. This tool must provide the department with an evidence-based assessment that focuses on the cost control, quality, and information transparency of the health care vendor. The assessment may include evidence-based performance measures that have been shown to influence better health, better health care, and more cost-effective use of resources including, but not limited to, areas that determine each plan's capabilities and performance with respect to:

(1) consumer engagement, support, and incentives;

(2) processes and outcomes for closing gaps in care according to clinical guideline expectations;

(3) provider management, including outcome and population-based reimbursement, transparent measurement of provider performance, and support of physician practice structures that lead to better care; and

(4) measures of clinical outcomes and waste approved by the National Quality Forum.

Sec. 110. **RISK CORRIDORS.**

(a) Effective for services rendered on or after January 1, 2012, the commissioner shall establish risk corridors for state public programs that are actuarially sound for each managed care plan and each county-based purchasing plan. The risk corridors will be calculated annually based on the calendar year's net underwriting gain or loss. If the managed care plan or county-based purchasing plan has achieved a net underwriting gain of greater than three percent of revenue, 80 percent of any excess must be repaid to the commissioner by July 31 of the year following calculation of the risk corridor year, and 20 percent must be invested by the plan directly into programs for improving quality of care or access to care for state public health care program enrollees. If the managed care plan or county-based purchasing plan has incurred a net underwriting loss greater than three percent of total revenue, 50 percent of any excess must be repaid to the plan by the commissioner by July 31 of the year following calculation of the risk corridor year. Determination of total revenues and net underwriting gain or loss must be based on the Minnesota Supplement Report #1 which is filed on April 1 of the year following calculation of the risk corridor and adjusted for the actual withhold calculation under sections 256B.69, subdivision 5a, and 256L.12, subdivision 9. The report must be filed with and publicly disclosed by the Department of Health.

(b) For purposes of this section, "state public programs" means those prepaid medical assistance and MinnesotaCare programs for which a managed care plan or county-based purchasing plan contracts with the commissioner to provide coverage under sections 256B.69, 256B.692, and 256L.12. The risk corridors shall not apply to plans for persons who are enrolled in integrated Medicare and medical assistance programs under section 256B.69, subdivisions 23 and 28.

(c) This section expires January 1, 2014.

Sec. 111. **CONTINGENT REINSTATEMENT OF GAMC.**

Notwithstanding their contingent repeal in Laws 2010, First Special Session chapter 1, article 16, section 47, the following statutes are revived and have the force of law:

(1) Minnesota Statutes 2010, section 256D.03, subdivisions 3, 3a, 5, 6, 7, and 8; and

(2) Laws 2010, chapter 200, article 1, section 12, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 18, and 19.

EFFECTIVE DATE. This section is effective January 1, 2013, if by that date the federal government has not approved the global medical assistance waiver submitted under Minnesota Statutes, section 256B.841.

Sec. 112. **REPEALER.**

(a) Minnesota Statutes 2010, section 256.01, subdivision 2b, (**performance payments**) is repealed effective July 1, 2011.

(b) Minnesota Statutes 2010, section 62J.07, subdivisions 1, 2, and 3, (**Legislative Commission on Health Care Access**) are repealed.

(c) Laws 2009, chapter 79, article 5, section 64, **(256L.07, subdivision 2)** is repealed retroactively from July 1, 2009, and federal approval is no longer necessary.

(d) Laws 2009, chapter 79, article 5, section 65, **(256L.07, subdivision 3)** is repealed retroactively from July 1, 2009, and federal approval is no longer necessary.

(e) Laws 2009, chapter 79, article 5, section 68, **(256L.15, subdivision 2, exemption of low-income children from MinnesotaCare premiums and insurance barriers)** is repealed retroactively from July 1, 2009, and federal approval is no longer necessary.

(f) Minnesota Statutes 2010, section 256L.07, subdivision 7, **exempting eligibility for children formally under medical assistance**, is repealed retroactively from October 1, 2008, and federal approval is no longer necessary.

(g) The amendment in Laws 2009, chapter 79, article 5, section 55, as amended by Laws 2009, chapter 173, article 1, section 36, **(256L.04, subdivision 1, children deemed eligible are exempt from eligibility requirements)** is repealed retroactively from January 1, 2009, and federal approval is no longer necessary.

(h) Laws 2009, chapter 79, article 5, section 56, **(256L.04, subdivision 1b, exemption from income limit for children)** is repealed retroactively from July 1, 2009, and federal approval is no longer necessary.

(i) Laws 2009, chapter 79, article 5, section 60, **(256L.05, subdivision 1c, open enrollment and streamlined application)** is repealed retroactively from July 1, 2009, and federal approval is no longer necessary.

(j) Laws 2009, chapter 79, article 5, section 66, **(256L.07, subdivision 8, automatic eligibility certain children)** is repealed retroactively from July 1, 2009, and federal approval is no longer necessary.

(k) The amendment in Laws 2009, chapter 79, article 5, section 57, **(256L.04, subdivision 7a, ineligibility for adults with certain income)** is repealed retroactively from July 1, 2009, and federal approval is no longer necessary.

(l) The amendment in Laws 2009, chapter 79, article 5, section 61, **(256L.05, subdivision 3, children eligibility following termination from foster care)** is repealed retroactively from July 1, 2009, and federal approval is no longer necessary.

(m) The amendment in Laws 2009, chapter 79, article 5, section 62, **(256L.05, subdivision 3a, exemption from cancellation for nonrenewal for children)** is repealed retroactively from July 1, 2009, and federal approval is no longer necessary.

(n) The amendment in Laws 2009, chapter 79, article 5, section 63, **(256L.07, subdivision 1, children whose gross family income is greater than 275 percent FPG may remain enrolled)** is repealed retroactively from July 1, 2009, and federal approval is no longer necessary.

(o) The amendment in Laws 2009, chapter 79, article 5, section 64, **(256L.07, subdivision 2, exempts children from requirement not to have employer-subsidized coverage)** is repealed retroactively from July 1, 2009, and federal approval is no longer necessary.

(p) The amendment in Laws 2009, chapter 79, article 5, section 65, **(256L.07, subdivision 3, requires children with family gross income over 200 percent of FPG to have had no health coverage for four months prior to application)** is repealed retroactively from July 1, 2009, and federal approval is no longer necessary.

(q) The amendment in Laws 2009, chapter 79, article 5, section 68, **(256L.15, subdivision 2, children in families with income less than 200 percent FPG pay no premium)** is repealed retroactively from July 1, 2009, and federal approval is no longer necessary.

(r) The amendment in Laws 2009, chapter 79, article 5, section 69, **(256L.15, subdivision 3, exempts children with family income below 200 percent FPG from sliding fee scale)** is repealed retroactively from July 1, 2009, and federal approval is no longer necessary.

(s) Laws 2009, chapter 79, article 5, section 79, **(uncoded federal approval)** is repealed the day following final enactment.

(t) Minnesota Statutes 2010, section 256B.057, subdivision 2c, **(extended medical assistance for certain children)** is repealed.

(u) The amendments in Laws 2008, chapter 358, article 3, sections 8; and 9, **(renewal rolling month and premium grace month)** are repealed.

Sec. 113. **CONTINGENT REPEALER; MEDICAL ASSISTANCE EARLY EXPANSION.**

Minnesota Statutes 2010, sections 256B.055, subdivision 15; and 256B.0756, and Laws 2010, First Special Session chapter 1, article 16, sections 6; and 7, are repealed.

EFFECTIVE DATE. This section is effective January 1, 2013, if by that date the federal government has not approved the global medical assistance waiver submitted under Minnesota Statutes, section 256B.841.

ARTICLE 7
CONTINUING CARE

Section 1. Minnesota Statutes 2010, section 245A.03, subdivision 2, is amended to read:

Subd. 2. **Exclusion from licensure.** (a) This chapter does not apply to:

(1) residential or nonresidential programs that are provided to a person by an individual who is related unless the residential program is a child foster care placement made by a local social services agency or a licensed child-placing agency, except as provided in subdivision 2a;

(2) nonresidential programs that are provided by an unrelated individual to persons from a single related family;

(3) residential or nonresidential programs that are provided to adults who do not abuse chemicals or who do not have a chemical dependency, a mental illness, a developmental disability, a functional impairment, or a physical disability;

(4) sheltered workshops or work activity programs that are certified by the commissioner of employment and economic development;

(5) programs operated by a public school for children 33 months or older;

(6) nonresidential programs primarily for children that provide care or supervision for periods of less than three hours a day while the child's parent or legal guardian is in the same building as the nonresidential program or present within another building that is directly contiguous to the building in which the nonresidential program is located;

(7) nursing homes or hospitals licensed by the commissioner of health except as specified under section 245A.02;

(8) board and lodge facilities licensed by the commissioner of health that do not provide children's residential services under Minnesota Rules, chapter 2960, mental health or chemical dependency treatment;

(9) homes providing programs for persons placed by a county or a licensed agency for legal adoption, unless the adoption is not completed within two years;

(10) programs licensed by the commissioner of corrections;

(11) recreation programs for children or adults that are operated or approved by a park and recreation board whose primary purpose is to provide social and recreational activities;

(12) programs operated by a school as defined in section 120A.22, subdivision 4; YMCA as defined in section 315.44; YWCA as defined in section 315.44; or JCC as defined in section 315.51, whose primary purpose is to provide child care or services to school-age children;

(13) Head Start nonresidential programs which operate for less than 45 days in each calendar year;

(14) noncertified boarding care homes unless they provide services for five or more persons whose primary diagnosis is mental illness or a developmental disability;

(15) programs for children such as scouting, boys clubs, girls clubs, and sports and art programs, and nonresidential programs for children provided for a cumulative total of less than 30 days in any 12-month period;

(16) residential programs for persons with mental illness, that are located in hospitals;

(17) the religious instruction of school-age children; Sabbath or Sunday schools; or the congregate care of children by a church, congregation, or religious society during the period used by the church, congregation, or religious society for its regular worship;

(18) camps licensed by the commissioner of health under Minnesota Rules, chapter 4630;

(19) mental health outpatient services for adults with mental illness or children with emotional disturbance;

(20) residential programs serving school-age children whose sole purpose is cultural or educational exchange, until the commissioner adopts appropriate rules;

(21) unrelated individuals who provide out-of-home respite care services to persons with developmental disabilities from a single related family for no more than 90 days in a 12-month period and the respite care services are for the temporary relief of the person's family or legal representative;

(22) respite care services provided as a home and community-based service to a person with a developmental disability, in the person's primary residence;

(23) community support services programs as defined in section 245.462, subdivision 6, and family community support services as defined in section 245.4871, subdivision 17;

(24) the placement of a child by a birth parent or legal guardian in a preadoptive home for purposes of adoption as authorized by section 259.47;

(25) settings registered under chapter 144D which provide home care services licensed by the commissioner of health to fewer than seven adults;

(26) chemical dependency or substance abuse treatment activities of licensed professionals in private practice as defined in Minnesota Rules, part 9530.6405, subpart 15, when the treatment activities are not paid for by the consolidated chemical dependency treatment fund;

(27) consumer-directed community support service funded under the Medicaid waiver for persons with developmental disabilities when the individual who provided the service is:

(i) the same individual who is the direct payee of these specific waiver funds or paid by a fiscal agent, fiscal intermediary, or employer of record; and

(ii) not otherwise under the control of a residential or nonresidential program that is required to be licensed under this chapter when providing the service; ~~or~~

(28) a program serving only children who are age 33 months or older, that is operated by a nonpublic school, for no more than four hours per day per child, with no more than 20 children at any one time, and that is accredited by:

(i) an accrediting agency that is formally recognized by the commissioner of education as a nonpublic school accrediting organization; or

(ii) an accrediting agency that requires background studies and that receives and investigates complaints about the services provided; or

(29) residential facilities that are federally certified as intermediate care facilities that serve people with developmental disabilities.

A program that asserts its exemption from licensure under clause (28), item (ii), shall, upon request from the commissioner, provide the commissioner with documentation from the accrediting agency that verifies: that the accreditation is current; that the accrediting agency investigates complaints about services; and that the accrediting agency's standards require background studies on all people providing direct contact services.

(b) For purposes of paragraph (a), clause (6), a building is directly contiguous to a building in which a nonresidential program is located if it shares a common wall with the building in which the nonresidential program is located or is attached to that building by skyway, tunnel, atrium, or common roof.

(c) Nothing in this chapter shall be construed to require licensure for any services provided and funded according to an approved federal waiver plan where licensure is specifically identified as not being a condition for the services and funding.

Sec. 2. Minnesota Statutes 2010, section 252.27, subdivision 2a, is amended to read:

Subd. 2a. **Contribution amount.** (a) The natural or adoptive parents of a minor child, including a child determined eligible for medical assistance without consideration of parental income, must contribute to the cost of services used by making monthly payments on a sliding scale based on income, unless the child is married or has been married, parental rights have been terminated, or the child's adoption is subsidized according to section 259.67 or through title IV-E of the Social Security Act. The parental contribution is a partial or full payment for medical services provided for diagnostic, therapeutic, curing, treating, mitigating, rehabilitation, maintenance, and personal care services as defined in United States Code, title 26, section 213, needed by the child with a chronic illness or disability.

(b) For households with adjusted gross income equal to or greater than 100 percent of federal poverty guidelines, the parental contribution shall be computed by applying the following schedule of rates to the adjusted gross income of the natural or adoptive parents:

(1) if the adjusted gross income is equal to or greater than 100 percent of federal poverty guidelines and less than 175 percent of federal poverty guidelines, the parental contribution is \$4 per month;

(2) if the adjusted gross income is equal to or greater than 175 percent of federal poverty guidelines and less than or equal to ~~545~~ 525 percent of federal poverty guidelines, the parental contribution shall be determined using a sliding fee scale established by the commissioner of human services which begins at one percent of adjusted gross income at 175 percent of federal poverty guidelines and increases to ~~7.5~~ eight percent of adjusted gross income for those with adjusted gross income up to ~~545~~ 525 percent of federal poverty guidelines;

(3) if the adjusted gross income is greater than ~~545~~ 525 percent of federal poverty guidelines and less than 675 percent of federal poverty guidelines, the parental contribution shall be ~~7.5~~ 9.5 percent of adjusted gross income;

(4) if the adjusted gross income is equal to or greater than 675 percent of federal poverty guidelines and less than ~~975~~ 900 percent of federal poverty guidelines, the parental contribution shall be determined using a sliding fee scale established by the commissioner of human services which begins at ~~7.5~~ 9.5 percent of adjusted gross income at 675 percent of federal poverty guidelines and increases to ~~ten~~ 12 percent of adjusted gross income for those with adjusted gross income up to ~~975~~ 900 percent of federal poverty guidelines; and

(5) if the adjusted gross income is equal to or greater than ~~975~~ 900 percent of federal poverty guidelines, the parental contribution shall be ~~12.5~~ 13.5 percent of adjusted gross income.

If the child lives with the parent, the annual adjusted gross income is reduced by \$2,400 prior to calculating the parental contribution. If the child resides in an institution specified in section 256B.35, the parent is responsible for the personal needs allowance specified under that section in addition to the parental contribution determined under this section. The parental contribution is reduced by any amount required to be paid directly to the child pursuant to a court order, but only if actually paid.

(c) The household size to be used in determining the amount of contribution under paragraph (b) includes natural and adoptive parents and their dependents, including the child receiving services. Adjustments in the contribution amount due to annual changes in the federal poverty guidelines shall be implemented on the first day of July following publication of the changes.

(d) For purposes of paragraph (b), "income" means the adjusted gross income of the natural or adoptive parents determined according to the previous year's federal tax form, except, effective retroactive to July 1, 2003, taxable capital gains to the extent the funds have been used to purchase a home shall not be counted as income.

(e) The contribution shall be explained in writing to the parents at the time eligibility for services is being determined. The contribution shall be made on a monthly basis effective with the first month in which the child receives services. Annually upon redetermination or at termination of eligibility, if the contribution exceeded the cost of services provided, the local agency or the state shall reimburse that excess amount to the parents, either by direct reimbursement if the parent is no longer required to pay a contribution, or by a reduction in or waiver of parental fees until the excess amount is exhausted. All reimbursements must include a notice that the amount reimbursed may be taxable income if the parent paid for the parent's fees through an employer's health care flexible spending account under the Internal Revenue Code, section 125, and that the parent is responsible for paying the taxes owed on the amount reimbursed.

(f) The monthly contribution amount must be reviewed at least every 12 months; when there is a change in household size; and when there is a loss of or gain in income from one month to another in excess of ten percent. The local agency shall mail a written notice 30 days in advance of the effective date of a change in the contribution amount. A decrease in the contribution amount is effective in the month that the parent verifies a reduction in income or change in household size.

(g) Parents of a minor child who do not live with each other shall each pay the contribution required under paragraph (a). An amount equal to the annual court-ordered child support payment actually paid on behalf of the child receiving services shall be deducted from the adjusted gross income of the parent making the payment prior to calculating the parental contribution under paragraph (b).

(h) The contribution under paragraph (b) shall be increased by an additional five percent if the local agency determines that insurance coverage is available but not obtained for the child. For purposes of this section, "available" means the insurance is a benefit of employment for a family member at an annual cost of no more than five percent of the family's annual income. For purposes of this section, "insurance" means health and accident insurance coverage, enrollment in a nonprofit health service plan, health maintenance organization, self-insured plan, or preferred provider organization.

Parents who have more than one child receiving services shall not be required to pay more than the amount for the child with the highest expenditures. There shall be no resource contribution from the parents. The parent shall not be required to pay a contribution in excess of the cost of the services provided to the child, not counting payments made to school districts for education-related services. Notice of an increase in fee payment must be given at least 30 days before the increased fee is due.

(i) The contribution under paragraph (b) shall be reduced by \$300 per fiscal year if, in the 12 months prior to July 1:

- (1) the parent applied for insurance for the child;
- (2) the insurer denied insurance;
- (3) the parents submitted a complaint or appeal, in writing to the insurer, submitted a complaint or appeal, in writing, to the commissioner of health or the commissioner of commerce, or litigated the complaint or appeal; and
- (4) as a result of the dispute, the insurer reversed its decision and granted insurance.

For purposes of this section, "insurance" has the meaning given in paragraph (h).

A parent who has requested a reduction in the contribution amount under this paragraph shall submit proof in the form and manner prescribed by the commissioner or county agency, including, but not limited to, the insurer's denial of insurance, the written letter or complaint of the parents, court documents, and the written response of the insurer approving insurance. The determinations of the commissioner or county agency under this paragraph are not rules subject to chapter 14.

~~(j) Notwithstanding paragraph (b), for the period from July 1, 2010, to June 30, 2013, the parental contribution shall be computed by applying the following contribution schedule to the adjusted gross income of the natural or adoptive parents:~~

~~(1) if the adjusted gross income is equal to or greater than 100 percent of federal poverty guidelines and less than 175 percent of federal poverty guidelines, the parental contribution is \$4 per month;~~

~~(2) if the adjusted gross income is equal to or greater than 175 percent of federal poverty guidelines and less than or equal to 525 percent of federal poverty guidelines, the parental contribution shall be determined using a sliding fee scale established by the commissioner of human services which begins at one percent of adjusted gross income at 175 percent of federal poverty guidelines and increases to eight percent of adjusted gross income for those with adjusted gross income up to 525 percent of federal poverty guidelines;~~

~~(3) if the adjusted gross income is greater than 525 percent of federal poverty guidelines and less than 675 percent of federal poverty guidelines, the parental contribution shall be 9.5 percent of adjusted gross income;~~

~~(4) if the adjusted gross income is equal to or greater than 675 percent of federal poverty guidelines and less than 900 percent of federal poverty guidelines, the parental contribution shall be determined using a sliding fee scale established by the commissioner of human services which begins at 9.5 percent of adjusted gross income at 675 percent of federal poverty guidelines and increases to 12 percent of adjusted gross income for those with adjusted gross income up to 900 percent of federal poverty guidelines; and~~

~~(5) if the adjusted gross income is equal to or greater than 900 percent of federal poverty guidelines, the parental contribution shall be 13.5 percent of adjusted gross income. If the child lives with the parent, the annual adjusted gross income is reduced by \$2,400 prior to calculating the parental contribution. If the child resides in an institution specified in section 256B.35, the parent is responsible for the personal needs allowance specified under that section in addition to the parental contribution determined under this section. The parental contribution is reduced by any amount required to be paid directly to the child pursuant to a court order, but only if actually paid.~~

Sec. 3. Minnesota Statutes 2010, section 252.291, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) The commissioner of human services in coordination with the commissioner of health may approve a newly constructed or newly established publicly or privately operated community intermediate care facility for ~~six~~ 16 or fewer persons with developmental disabilities only when:

(1) the facility is developed in accordance with a request for proposal approved by the commissioner of human services;

(2) the facility is necessary to serve the needs of identified persons with developmental disabilities who are seriously behaviorally disordered or who are seriously physically or sensorily impaired. No more than 40 percent of the capacity specified in the proposal submitted to the commissioner must be used for persons being discharged from regional treatment centers; and

(3) the commissioner determines that the need for increased service capacity cannot be met by the use of alternative resources or the modification of existing facilities.

(b) The percentage limitation in paragraph (a), clause (2), does not apply to state-operated, community-based facilities.

Sec. 4. Minnesota Statutes 2010, section 256.01, subdivision 24, is amended to read:

Subd. 24. **Disability Linkage Line.** The commissioner shall establish the Disability Linkage Line, ~~a to serve as Minnesota's neutral access point for statewide consumer disability information, referral, and assistance system for people with disabilities and chronic illnesses that.~~ The Disability Linkage Line shall:

~~(1) deliver information and assistance based on national and state standards;~~

~~(1) provides~~ (2) provide information about state and federal eligibility requirements, benefits, and service options;

- (3) provide benefits and options counseling;
- ~~(2) makes~~ (4) make referrals to appropriate support entities;
- ~~(3) delivers information and assistance based on national and state standards;~~
- ~~(4) assists~~ (5) educate people ~~to~~ on their options so they can make well-informed ~~decisions~~ choices; ~~and~~
- ~~(5) supports~~ (6) help support the timely resolution of service access and benefit issues.;
- (7) inform people of their long-term community services and supports;
- (8) provide necessary resources and supports that can lead to employment and increased economic stability of people with disabilities; and
- (9) serve as the technical assistance and help center for the Web-based tool, Minnesota's Disability Benefits 101.org.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 5. Minnesota Statutes 2010, section 256.01, subdivision 29, is amended to read:

Subd. 29. **State medical review team.** (a) To ensure the timely processing of determinations of disability by the commissioner's state medical review team under sections 256B.055, subdivision 7, paragraph (b), 256B.057, subdivision 9, ~~paragraph (j)~~, and 256B.055, subdivision 12, the commissioner shall review all medical evidence submitted by county agencies with a referral and seek additional information from providers, applicants, and enrollees to support the determination of disability where necessary. Disability shall be determined according to the rules of title XVI and title XIX of the Social Security Act and pertinent rules and policies of the Social Security Administration.

(b) Prior to a denial or withdrawal of a requested determination of disability due to insufficient evidence, the commissioner shall (1) ensure that the missing evidence is necessary and appropriate to a determination of disability, and (2) assist applicants and enrollees to obtain the evidence, including, but not limited to, medical examinations and electronic medical records.

(c) The commissioner shall provide the chairs of the legislative committees with jurisdiction over health and human services finance and budget the following information on the activities of the state medical review team by February 1 of each year:

- (1) the number of applications to the state medical review team that were denied, approved, or withdrawn;
- (2) the average length of time from receipt of the application to a decision;
- (3) the number of appeals, appeal results, and the length of time taken from the date the person involved requested an appeal for a written decision to be made on each appeal;
- (4) for applicants, their age, health coverage at the time of application, hospitalization history within three months of application, and whether an application for Social Security or Supplemental Security Income benefits is pending; and

(5) specific information on the medical certification, licensure, or other credentials of the person or persons performing the medical review determinations and length of time in that position.

(d) Any appeal made under section 256.045, subdivision 3, of a disability determination made by the state medical review team must be decided according to the timelines under section 256.0451, subdivision 22, paragraph (a). If a written decision is not issued within the timelines under section 256.0451, subdivision 22, paragraph (a), the appeal must be immediately reviewed by the chief appeals referee.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 6. Minnesota Statutes 2010, section 256.045, subdivision 4a, is amended to read:

Subd. 4a. **Case management appeals temporary stay of demission.** ~~Any recipient of case management services pursuant to section 256B.092, who contests the county agency's action or failure to act in the provision of those services, other than a failure to act with reasonable promptness or a suspension, reduction, denial, or termination of services, must submit a written request for a conciliation conference to the county agency. The county agency shall inform the commissioner of the receipt of a request when it is submitted and shall schedule a conciliation conference. The county agency shall notify the recipient, the commissioner, and all interested persons of the time, date, and location of the conciliation conference. The commissioner may assist the county by providing mediation services or by identifying other resources that may assist in the mediation between the parties. Within 30 days, the county agency shall conduct the conciliation conference and inform the recipient in writing of the action the county agency is going to take and when that action will be taken and notify the recipient of the right to a hearing under this subdivision. The conciliation conference shall be conducted in a manner consistent with the commissioner's instructions. If the county fails to conduct the conciliation conference and issue its report within 30 days, or, at any time up to 90 days after the conciliation conference is held, a recipient may submit to the commissioner a written request for a hearing before a state human services referee to determine whether case management services have been provided in accordance with applicable laws and rules or whether the county agency has assured that the services identified in the recipient's individual service plan have been delivered in accordance with the laws and rules governing the provision of those services. The state human services referee shall recommend an order to the commissioner, who shall, in accordance with the procedure in subdivision 5, issue a final order within 60 days of the receipt of the request for a hearing, unless the commissioner refuses to accept the recommended order, in which event a final order shall issue within 90 days of the receipt of that request. The order may direct the county agency to take those actions necessary to comply with applicable laws or rules. The commissioner may issue a temporary order prohibiting the demission of a recipient of case management services under section 256B.092 from a residential or day habilitation program licensed under chapter 245A, while a county agency review process or an appeal brought by a recipient under this subdivision is pending, or for the period of time necessary for the county agency to implement the commissioner's order. The commissioner shall not issue a final order staying the demission of a recipient of case management services from a residential or day habilitation program licensed under chapter 245A.~~

EFFECTIVE DATE. This section is effective January 1, 2012.

Sec. 7. Minnesota Statutes 2010, section 256B.056, subdivision 3, is amended to read:

Subd. 3. **Asset limitations for individuals and families.** (a) To be eligible for medical assistance, a person must not individually own more than \$3,000 in assets, or if a member of a household with two family members, husband and wife, or parent and child, the household must not own more than \$6,000 in assets, plus \$200 for each additional legal dependent. In addition to these maximum amounts, an eligible individual or family may accrue interest on these amounts, but they must be reduced to the maximum at the time of an eligibility redetermination. The accumulation of the clothing and personal needs allowance according to section 256B.35 must also be reduced to the maximum at the time of the eligibility redetermination. The value of assets that are not considered in determining eligibility for medical assistance is the value of those assets excluded under the supplemental security income program for aged, blind, and disabled persons, with the following exceptions:

- (1) household goods and personal effects are not considered;
 - (2) capital and operating assets of a trade or business that the local agency determines are necessary to the person's ability to earn an income are not considered;
 - (3) motor vehicles are excluded to the same extent excluded by the supplemental security income program;
 - (4) assets designated as burial expenses are excluded to the same extent excluded by the supplemental security income program. Burial expenses funded by annuity contracts or life insurance policies must irrevocably designate the individual's estate as contingent beneficiary to the extent proceeds are not used for payment of selected burial expenses; and
 - (5) ~~effective upon federal approval~~, for a person who no longer qualifies as an employed person with a disability due to loss of earnings, assets allowed while eligible for medical assistance under section 256B.057, subdivision 9, are not considered for 12 months, beginning with the first month of ineligibility as an employed person with a disability, to the extent that the person's total assets remain within the allowed limits of section 256B.057, subdivision 9, paragraph ~~(e)~~ (d).
- (b) No asset limit shall apply to persons eligible under section 256B.055, subdivision 15.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 8. Minnesota Statutes 2010, section 256B.056, is amended by adding a subdivision to read:

Subd. 5d. **Spenddown adjustments.** When income is projected for a six-month budget period, retroactive adjustments to income determined to be available to a person under section 256B.0575 must be made at the end of each six-month budget period based on changes occurring during the budget period. For changes occurring outside the six-month budget period, such retroactive adjustments are limited to the six full calendar months before the month the change is reported or discovered.

Sec. 9. Minnesota Statutes 2010, section 256B.057, subdivision 9, is amended to read:

Subd. 9. **Employed persons with disabilities.** (a) Medical assistance may be paid for a person who is employed and who:

- (1) but for excess earnings or assets, meets the definition of disabled under the Supplemental Security Income program;
- (2) is at least 16 but less than 65 years of age;
- (3) meets the asset limits in paragraph ~~(e)~~ (d); and
- (4) pays a premium and other obligations under paragraph (e).

(b) For purposes of eligibility, there is a \$65 earned income disregard. To be eligible for medical assistance under this subdivision, a person must have more than \$65 of earned income. Earned income must have Medicare, Social Security, and applicable state and federal taxes withheld. The person must document earned income tax withholding. Any spousal income or assets shall be disregarded for purposes of eligibility and premium determinations.

~~(b)~~ (c) After the month of enrollment, a person enrolled in medical assistance under this subdivision who:

(1) is temporarily unable to work and without receipt of earned income due to a medical condition, as verified by a physician, ~~may retain eligibility for up to four calendar months~~; or

(2) ~~effective January 1, 2004~~, loses employment for reasons not attributable to the enrollee, and is without receipt of earned income may retain eligibility for up to four consecutive months after the month of job loss. To receive a four-month extension, enrollees must verify the medical condition or provide notification of job loss. All other eligibility requirements must be met and the enrollee must pay all calculated premium costs for continued eligibility.

~~(e)~~ (d) For purposes of determining eligibility under this subdivision, a person's assets must not exceed \$20,000, excluding:

(1) all assets excluded under section 256B.056;

(2) retirement accounts, including individual accounts, 401(k) plans, 403(b) plans, Keogh plans, and pension plans; ~~and~~

(3) medical expense accounts set up through the person's employer; and

(4) spousal assets, including spouse's share of jointly held assets.

~~(d)(1) Effective January 1, 2004, for purposes of eligibility, there will be a \$65 earned income disregard. To be eligible, a person applying for medical assistance under this subdivision must have earned income above the disregard level.~~

~~(2) Effective January 1, 2004, to be considered earned income, Medicare, Social Security, and applicable state and federal income taxes must be withheld. To be eligible, a person must document earned income tax withholding.~~

~~(e)(1) A person whose earned and unearned income is equal to or greater than 100 percent of federal poverty guidelines for the applicable family size must pay a premium to be eligible for medical assistance under this subdivision. (e) All enrollees must pay a premium to be eligible for medical assistance under this subdivision.~~

(1) An enrollee must pay the greater of a \$65 premium or the premium shall be calculated based on the person's gross earned and unearned income and the applicable family size using a sliding fee scale established by the commissioner, which begins at one percent of income at 100 percent of the federal poverty guidelines and increases to 7.5 percent of income for those with incomes at or above 300 percent of the federal poverty guidelines.

(2) Annual adjustments in the premium schedule based upon changes in the federal poverty guidelines shall be effective for premiums due in July of each year.

~~(2) Effective January 1, 2004, all enrollees must pay a premium to be eligible for medical assistance under this subdivision. An enrollee shall pay the greater of a \$35 premium or the premium calculated in clause (1).~~

~~(3) Effective November 1, 2003, All enrollees who receive unearned income must pay one-half of one five percent of unearned income in addition to the premium amount.~~

~~(4) Effective November 1, 2003, for enrollees whose income does not exceed 200 percent of the federal poverty guidelines and who are also enrolled in Medicare, the commissioner must reimburse the enrollee for Medicare Part B premiums under section 256B.0625, subdivision 15, paragraph (a).~~

~~(5)~~ (4) Increases in benefits under title II of the Social Security Act shall not be counted as income for purposes of this subdivision until July 1 of each year.

(f) A person's eligibility and premium shall be determined by the local county agency. Premiums must be paid to the commissioner. All premiums are dedicated to the commissioner.

(g) Any required premium shall be determined at application and redetermined at the enrollee's six-month income review or when a change in income or household size is reported. Enrollees must report any change in income or household size within ten days of when the change occurs. A decreased premium resulting from a reported change in income or household size shall be effective the first day of the next available billing month after the change is reported. Except for changes occurring from annual cost-of-living increases, a change resulting in an increased premium shall not affect the premium amount until the next six-month review.

(h) Premium payment is due upon notification from the commissioner of the premium amount required. Premiums may be paid in installments at the discretion of the commissioner.

(i) Nonpayment of the premium shall result in denial or termination of medical assistance unless the person demonstrates good cause for nonpayment. Good cause exists if the requirements specified in Minnesota Rules, part 9506.0040, subpart 7, items B to D, are met. Except when an installment agreement is accepted by the commissioner, all persons disenrolled for nonpayment of a premium must pay any past due premiums as well as current premiums due prior to being reenrolled. Nonpayment shall include payment with a returned, refused, or dishonored instrument. The commissioner may require a guaranteed form of payment as the only means to replace a returned, refused, or dishonored instrument.

(j) The commissioner shall notify enrollees annually beginning at least 24 months before the person's 65th birthday of the medical assistance eligibility rules affecting income, assets, and treatment of a spouse's income and assets that will be applied upon reaching age 65.

(k) For enrollees whose income does not exceed 200 percent of the federal poverty guidelines and who are also enrolled in Medicare, the commissioner shall reimburse the enrollee for Medicare part B premiums under section 256B.0625, subdivision 15, paragraph (a).

EFFECTIVE DATE. This section is effective January 1, 2014, for adults age 21 or older, and October 1, 2019, for children age 16 to before the child's 21st birthday.

Sec. 10. Minnesota Statutes 2010, section 256B.0657, is amended to read:

256B.0657 SELF-DIRECTED SUPPORTS OPTION.

Subdivision 1. **Definition.** (a) "Lead agency" has the meaning given in section 256B.0911, subdivision 1a, paragraph (d).

(b) "Legal representative" means a legal guardian of a child or an adult, or parent of a minor child.

(c) "Managing partner" means an individual who has been authorized, in a written statement by the person or the person's legal representative, to speak on the person's behalf and help the person understand and make informed choices in matters related to identification of needs and choice of services and supports and assist the person to implement an approved support plan and has no financial interest in the provision of any other services included in the individual's plan unless related by blood, adoption, or marriage.

(d) "Self-directed supports option" means personal assistance, supports, items, and related services purchased under an approved budget plan and budget by a recipient.

Subd. 2. **Eligibility.** (a) The self-directed supports option is available to a person who:

(1) is a recipient of medical assistance as determined under sections 256B.055, 256B.056, and 256B.057, subdivision 9;

(2) is eligible for personal care assistance services under section 256B.0659, or for a home and community-based services waiver program under section 256B.0915, 256B.092, or 256B.49, or alternative care under section 256B.0913;

(3) lives in the person's own apartment or home, which is not owned, operated, or controlled by a provider of services not related by blood ~~or, adoption, marriage, or foster care;~~

(4) has the ability to hire, fire, supervise, establish staff compensation for, and manage the individuals providing services, and to choose and obtain items, related services, and supports as described in the participant's plan. If the recipient is not able to carry out these functions but has a legal guardian, managing partner, or parent to carry them out, the guardian, managing partner, or parent may fulfill these functions on behalf of the recipient; and

(5) has not been excluded or disenrolled by the commissioner.

(b) The commissioner may disenroll ~~or, exclude,~~ or require other measures such as training, increased assistance, reporting, or oversight for recipients, including guardians ~~and,~~ parents, and managing partners under the following circumstances:

(1) recipients who have been restricted by the Primary Care Utilization Review Committee may be excluded for a specified time period;

(2) recipients who exit the self-directed supports option during the recipient's service plan year shall not access the self-directed supports option for the remainder of that service plan year; and

(3) when the department determines that the recipient cannot manage recipient responsibilities under the program.

(c) For vendors or other self-directed service providers, the commissioner may take any action authorized under surveillance and integrity review in Minnesota Rules, parts 9505.2160 to 9505.2245.

Subd. 3. **Eligibility for other services.** Selection of the self-directed supports option by a recipient shall not restrict access to other medically necessary care and services furnished under the state plan medical assistance benefit, ~~including home care targeted case management,~~ except that a person ~~receiving~~ choosing lead agency managed home and community-based waiver services, agency-provided personal care assistance services, a family support grant, or a consumer support grant is not eligible for funding under the self-directed supports option.

Subd. 4. **Assessment requirements.** (a) The self-directed supports option assessment must meet the following requirements:

(1) it shall be conducted ~~by the county public health nurse or a certified public health nurse under contract with the county~~ consistent with the requirements of personal care assistance services under section 256B.0659, subdivision 3a; home and community-based waiver services programs under section 256B.0915, 256B.092, or 256B.49; and the alternative care program under section 256B.0913, until section 256B.0911, subdivision 3a, has been implemented;

(2) it shall be conducted face-to-face in the recipient's home initially, and at least annually thereafter; when there is a significant change in the recipient's condition; and when there is a change in the person's need for personal care assistance services under the programs listed in subdivision 2, paragraph (a), clause (2). A recipient who is residing in a facility may be assessed for the self-directed support option for the purpose of returning to the community using this option; and

(3) it shall be completed using the format established by the commissioner.

(b) The results of the personal care assistance assessment and recommendations shall be communicated to the commissioner and the recipient ~~by the county public health nurse or certified public health nurse under contract with the county as required under section 256B.0659, subdivision 3a.~~ The person's annual and self-directed budget amount shall be provided within 40 days after the personal care assessment or reassessment, or within ten days after a request not related to an assessment.

(c) The lead agency responsible for administration of home and community-based waiver services under section 256B.0915, 256B.092, or 256B.49, and alternative care under section 256B.0913, shall provide annual and monthly self-directed services budget amounts for all eligible persons within 40 days after an initial assessment or annual review and within ten days if requested at a time unrelated to the assessment or annual review.

Subd. 5. **Self-directed supports option plan requirements.** (a) The plan for the self-directed supports option must meet the following requirements:

(1) the plan must be completed using a person-centered process that:

(i) builds upon the recipient's capacity to engage in activities that promote community life;

(ii) respects the recipient's preferences, choices, and abilities;

(iii) involves families, friends, and professionals in the planning or delivery of services or supports as desired or required by the recipient; and

(iv) addresses the need for personal care assistance and other services and supports identified in the recipient's self-directed supports option assessment;

(2) the plan shall be developed by the recipient, legal representative, ~~or by the guardian of an adult recipient or by a parent or guardian of a minor child,~~ managing partner, and may be assisted by a provider who meets the requirements established for using a person-centered planning process and shall be reviewed at least annually upon reassessment or when there is a significant change in the recipient's condition; and

(3) the plan must include the total budget amount available divided into monthly amounts that cover the number of months of personal care assistance services or home and community-based waiver or alternative care authorization included in the budget. A recipient may reserve funds monthly for the purchase of items that meet the standards in subdivision 6, paragraph (a), clause (2), and are reflected in the support plan. The amount used each month may vary, but additional funds shall not be provided above the annual personal care assistance services authorized amount unless a change in condition is documented.

(b) The commissioner or the commissioner's designee shall:

(1) establish the format and criteria for the plan as well as the provider enrollment requirements for providers who will engage in outreach and training on self-directed options, assist with plan development, and offer person-centered plan support services including benefits counseling to support employment;

(2) review the assessment and plan and, within 30 days after receiving the assessment and plan, make a decision on approval of the plan;

(3) notify the recipient, ~~parent, or guardian~~ legal representative, or managing partner of approval or denial of the plan and provide notice of the right to appeal under section 256.045; and

(4) provide a copy of the plan to the fiscal support entity selected by the recipient from among at least three certified entities.

Subd. 6. **Services covered.** (a) Services covered under the self-directed supports option include:

(1) personal care assistance services under section 256B.0659, and services under the home and community-based waivers, except those provided in licensed or registered residential settings; and

(2) items, related services, and supports, including assistive technology, that increase independence or substitute for human assistance to the extent expenditures would otherwise be used for human assistance.

(b) Items, supports, and related services purchased under this option shall not be considered home care services for the purposes of section 144A.43.

Subd. 7. **Noncovered services.** Services or supports that are not eligible for payment under the self-directed supports option include:

(1) services, goods, or supports that do not benefit the recipient;

(2) any fees incurred by the recipient, such as Minnesota health care program fees and co-pays, legal fees, or costs related to advocate agencies;

(3) insurance, except for insurance costs related to employee coverage or fiscal support entity payments;

(4) room and board and personal items that are not related to the disability, except that medically prescribed specialized diet items may be covered if they reduce the need for human assistance;

(5) home modifications that add square footage, except those modifications that configure a bathroom to accommodate a wheelchair;

(6) home modifications for a residence other than the primary residence of the recipient, or in the event of a minor with parents not living together, the primary residences of the parents;

(7) expenses for travel, lodging, or meals related to training the recipient, the ~~parent or guardian of an adult recipient, or the parent or guardian of a minor child~~ legal representative, or paid or unpaid caregivers that exceed \$500 in a 12-month period;

(8) experimental treatment;

(9) any service or item to the extent the service or item is covered by other medical assistance state plan services, including prescription and over-the-counter medications, compounds, and solutions and related fees, including premiums and co-payments;

(10) membership dues or costs, except when the service is necessary and appropriate to treat a physical condition or to improve or maintain the recipient's physical condition. The condition must be identified in the recipient's plan of care and monitored by a Minnesota health care program enrolled physician;

(11) vacation expenses other than the cost of direct services;

(12) vehicle maintenance or modifications not related to the disability;

(13) tickets and related costs to attend sporting or other recreational events; and

(14) costs related to Internet access, except when necessary for operation of assistive technology, to increase independence, or to substitute for human assistance.

Subd. 8. **Self-directed budget requirements.** (a) The budget for the provision of the self-directed service option shall be established for persons eligible for personal care assistance services under section 256B.0659 based on:

(1) assessed personal care assistance units, not to exceed the maximum number of personal care assistance units available, as determined by section 256B.0659; and

(2) the personal care assistance unit rate:

(i) with a reduction to the unit rate to pay for a program administrator as defined in subdivision 10; and

(ii) an additional adjustment to the unit rate as needed to ensure cost neutrality for the state.

(b) The budget for persons eligible for programs listed in subdivision 2, paragraph (a), clause (2), is based on the approved budget methodologies for each program.

Subd. 9. **Quality assurance and risk management.** (a) The commissioner shall establish quality assurance and risk management measures for use in developing and implementing self-directed plans and budgets that (1) recognize the roles and responsibilities involved in obtaining services in a self-directed manner, and (2) assure the appropriateness of such plans and budgets based upon a recipient's resources and capabilities. These measures must include (i) background studies, ~~and~~ (ii) backup and emergency plans, including disaster planning, and (iii) monitoring by the lead agency on quality assurance measures and recipient health, safety, and welfare.

(b) The commissioner shall provide ongoing technical assistance and resource and educational materials for families and recipients selecting the self-directed option, including information on the quality assurance efforts and activities of region 10 under sections 256B.095 to 256B.096.

(c) Performance assessments measures, such as of a recipient's functioning, satisfaction with the services and supports, and ongoing monitoring of health and well-being shall be identified in consultation with the stakeholder group and monitored by the lead agency.

Subd. 10. **Fiscal support entity.** (a) Each recipient or legal representative shall choose a fiscal support entity provider certified by the commissioner to make payments for services, items, supports, and administrative costs related to managing a self-directed service plan authorized for payment in the approved plan and budget. ~~Recipients~~ The recipient or legal representative shall also choose the payroll, agency with choice, or the fiscal conduit model of financial and service management.

(b) The fiscal support entity:

(1) may not limit or restrict the recipient's choice of service or support providers, including use of the payroll, agency with choice, or fiscal conduit model of financial and service management;

(2) must have a written agreement with the recipient, managing partner, or the recipient's legal representative that identifies the duties and responsibilities to be performed and the specific related charges;

(3) must provide the recipient ~~and the home care targeted case manager~~, legal representative, and managing partner with a monthly written summary of the self-directed supports option services that were billed, including charges from the fiscal support entity;

(4) must be knowledgeable of and comply with Internal Revenue Service requirements necessary to process employer and employee deductions, provide appropriate and timely submission of employer tax liabilities, and maintain documentation to support medical assistance claims;

(5) must have current and adequate liability insurance and bonding and sufficient cash flow and have on staff or under contract a certified public accountant or an individual with a baccalaureate degree in accounting; and

(6) must maintain records to track all self-directed supports option services expenditures, including time records of persons paid to provide supports and receipts for any goods purchased. The records must be maintained for a minimum of five years from the claim date and be available for audit or review upon request. Claims submitted by the fiscal support entity must correspond with services, amounts, and time periods as authorized in the recipient's self-directed supports option plan.

(c) The commissioner shall have authority to:

(1) set or negotiate rates with fiscal support entities;

(2) limit the number of fiscal support entities;

(3) identify a process to certify and recertify fiscal support entities and assure fiscal support entities are available to recipients throughout the state; and

(4) establish a uniform format and protocol to be used by eligible fiscal support entities.

Subd. 11. **Stakeholder consultation.** The commissioner shall consult with a statewide ~~consumer directed self-directed~~ self-directed services stakeholder group, including representatives of all types of ~~consumer directed self-directed~~ self-directed service users, advocacy organizations, counties, and ~~consumer directed self-directed~~ self-directed service providers. The commissioner shall seek recommendations from this stakeholder group in developing, monitoring, evaluating, and modifying:

(1) the self-directed plan format;

(2) requirements and guidelines for the person-centered plan assessment and planning process;

(3) implementation of the option and the quality assurance and risk management techniques; ~~and~~

(4) standards and requirements, including rates for the personal support plan development provider and the fiscal support entity; policies; training; and implementation; and

(5) the self-directed supports options available through the home and community-based waivers under section 256B.0916 and the personal care assistance program under section 256B.0659, including ways to increase participation, improve flexibility, and include incentives for recipients to participate in a life transition and crisis funding pool with others to save and contribute part of their authorized budgets, which can be carried over year to year and used according to priority standards under section 256B.092, subdivision 12, paragraph (a), clauses (1), (3), (4), (5), and (6).

The stakeholder group shall provide recommendations on the repeal of the personal care assistance choice option, transition issues, and whether the consumer support grant program under section 256.476 should be modified. The stakeholder group shall meet at least three times each year to provide advice on policy, implementation, and other aspects of ~~consumer and~~ self-directed services.

Subd. 12. **Enrollment and evaluation.** Enrollment in the self-directed supports option is available to current personal care assistance recipients upon annual personal care assistance reassessment, with a maximum enrollment of ~~1,000~~ 2,000 people in the first fiscal year of implementation and an additional ~~1,000~~ 3,000 people in the second fiscal year. The commissioner shall evaluate the self-directed supports option during the first two years of implementation and make any necessary changes ~~prior to the option becoming available statewide.~~

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 11. Minnesota Statutes 2010, section 256B.0659, subdivision 2, is amended to read:

Subd. 2. **Personal care assistance services; covered services.** (a) The personal care assistance services eligible for payment include services and supports furnished to an individual, as needed, to assist in:

- (1) activities of daily living;
- (2) health-related procedures and tasks;
- (3) observation and redirection of behaviors; and
- (4) instrumental activities of daily living.

(b) Activities of daily living include the following covered services:

(1) dressing, including assistance with choosing, application, and changing of clothing and application of special appliances, wraps, or clothing;

(2) grooming, including assistance with basic hair care, oral care, shaving, applying cosmetics and deodorant, and care of eyeglasses and hearing aids. Nail care is included, except for recipients who are diabetic or have poor circulation;

(3) bathing, including assistance with basic personal hygiene and skin care;

(4) eating, including assistance with hand washing and application of orthotics required for eating, transfers, and feeding;

(5) transfers, including assistance with transferring the recipient from one seating or reclining area to another;

(6) mobility, including assistance with ambulation, including use of a wheelchair. Mobility does not include providing transportation for a recipient;

(7) positioning, including assistance with positioning or turning a recipient for necessary care and comfort; and

(8) toileting, including assistance with helping recipient with bowel or bladder elimination and care including transfers, mobility, positioning, feminine hygiene, use of toileting equipment or supplies, cleansing the perineal area, inspection of the skin, and adjusting clothing.

(c) Health-related procedures and tasks include the following covered services:

(1) range of motion and passive exercise to maintain a recipient's strength and muscle functioning;

(2) assistance with self-administered medication as defined by this section, including reminders to take medication, bringing medication to the recipient, and assistance with opening medication under the direction of the recipient or responsible party;

(3) interventions for seizure disorders, including monitoring and observation; and

(4) other activities considered within the scope of the personal care service and meeting the definition of health-related procedures and tasks under this section, including assisting recipients with rehabilitation exercises that are part of a recipient's care plan if trained in the procedures and tasks and no additional personal care assistance service time is necessary to complete this task.

(d) A personal care assistant may provide health-related procedures and tasks associated with the complex health-related needs of a recipient if the procedures and tasks meet the definition of health-related procedures and tasks under this section and the personal care assistant is trained by a qualified professional and demonstrates competency to safely complete the procedures and tasks. Delegation of health-related procedures and tasks and all training must be documented in the personal care assistance care plan and the recipient's and personal care assistant's files.

(e) Effective January 1, 2010, for a personal care assistant to provide the health-related procedures and tasks of tracheostomy suctioning and services to recipients on ventilator support there must be:

(1) delegation and training by a registered nurse, certified or licensed respiratory therapist, or a physician;

(2) utilization of clean rather than sterile procedure;

(3) specialized training about the health-related procedures and tasks and equipment, including ventilator operation and maintenance;

(4) individualized training regarding the needs of the recipient; and

(5) supervision by a qualified professional who is a registered nurse.

(f) Effective January 1, 2010, a personal care assistant may observe and redirect the recipient for episodes where there is a need for redirection due to behaviors. Training of the personal care assistant must occur based on the needs of the recipient, the personal care assistance care plan, and any other support services provided.

(g) Instrumental activities of daily living under subdivision 1, paragraph (i).

Sec. 12. Minnesota Statutes 2010, section 256B.0659, subdivision 11, is amended to read:

Subd. 11. **Personal care assistant; requirements.** (a) A personal care assistant must meet the following requirements:

(1) be at least 18 years of age with the exception of persons who are 16 or 17 years of age with these additional requirements:

- (i) supervision by a qualified professional every 60 days; and
 - (ii) employment by only one personal care assistance provider agency responsible for compliance with current labor laws;
- (2) be employed by a personal care assistance provider agency;
- (3) enroll with the department as a personal care assistant after clearing a background study. Except as provided in subdivision 11a, before a personal care assistant provides services, the personal care assistance provider agency must initiate a background study on the personal care assistant under chapter 245C, and the personal care assistance provider agency must have received a notice from the commissioner that the personal care assistant is:
- (i) not disqualified under section 245C.14; or
 - (ii) is disqualified, but the personal care assistant has received a set aside of the disqualification under section 245C.22;
- (4) be able to effectively communicate with the recipient and personal care assistance provider agency;
- (5) be able to provide covered personal care assistance services according to the recipient's personal care assistance care plan, respond appropriately to recipient needs, and report changes in the recipient's condition to the supervising qualified professional or physician;
- (6) not be a consumer of personal care assistance services;
- (7) maintain daily written records including, but not limited to, time sheets under subdivision 12;
- (8) effective January 1, 2010, complete standardized training as determined by the commissioner before completing enrollment. The training must be available in languages other than English and to those who need accommodations due to disabilities. Personal care assistant training must include successful completion of the following training components: basic first aid, vulnerable adult, child maltreatment, OSHA universal precautions, basic roles and responsibilities of personal care assistants including information about assistance with lifting and transfers for recipients, emergency preparedness, orientation to positive behavioral practices, fraud issues, and completion of time sheets. Upon completion of the training components, the personal care assistant must demonstrate the competency to provide assistance to recipients;
- (9) complete training and orientation on the needs of the recipient within the first seven days after the services begin; and
- (10) be limited to providing and being paid for up to 275 hours per month, except that this limit shall be 275 hours per month for the period July 1, 2009, through June 30, 2011, of personal care assistance services regardless of the number of recipients being served or the number of personal care assistance provider agencies enrolled with. The number of hours worked per day shall not be disallowed by the department unless in violation of the law.
- (b) A legal guardian may be a personal care assistant if the guardian is not being paid for the guardian services and meets the criteria for personal care assistants in paragraph (a).
- (c) Effective January 1, 2010, persons who do not qualify as a personal care assistant include parents and stepparents of minors, spouses, paid legal guardians, family foster care providers, except as otherwise allowed in section 256B.0625, subdivision 19a, or staff of a residential setting. When the personal care assistant is a relative of the recipient, the commissioner shall pay 80 percent of the provider rate. For purposes of this section, relative means the parent or adoptive parent of an adult child, a sibling aged 16 years or older, an adult child, a grandparent, or a grandchild.

Sec. 13. Minnesota Statutes 2010, section 256B.0659, subdivision 28, is amended to read:

Subd. 28. **Personal care assistance provider agency; required documentation.** (a) Required documentation must be completed and kept in the personal care assistance provider agency file or the recipient's home residence. The required documentation consists of:

(1) employee files, including:

- (i) applications for employment;
- (ii) background study requests and results;
- (iii) orientation records about the agency policies;
- (iv) trainings completed with demonstration of competence;
- (v) supervisory visits;
- (vi) evaluations of employment; and
- (vii) signature on fraud statement;

(2) recipient files, including:

- (i) demographics;
- (ii) emergency contact information and emergency backup plan;
- (iii) personal care assistance service plan;
- (iv) personal care assistance care plan;
- (v) month-to-month service use plan;
- (vi) all communication records;
- (vii) start of service information, including the written agreement with recipient; and
- (viii) date the home care bill of rights was given to the recipient;

(3) agency policy manual, including:

- (i) policies for employment and termination;
- (ii) grievance policies with resolution of consumer grievances;
- (iii) staff and consumer safety;
- (iv) staff misconduct; and

(v) staff hiring, service delivery, staff and consumer safety, staff misconduct, and resolution of consumer grievances;

(4) time sheets for each personal care assistant along with completed activity sheets for each recipient served; ~~and~~

(5) agency marketing and advertising materials and documentation of marketing activities and costs; and

(6) for each personal care assistant, whether or not the personal care assistant is providing care to a relative as defined in subdivision 11.

(b) The commissioner may assess a fine of up to \$500 on provider agencies that do not consistently comply with the requirements of this subdivision.

Sec. 14. **[256B.0661] HOME AND COMMUNITY-BASED ATTENDANT SERVICES AND SUPPORTS.**

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

(b) "Activities of daily living" means basic personal everyday activities, including eating, toileting, grooming, dressing, bathing, transferring, positioning, and mobility.

(c) "Extended home and community-based attendant services and supports" means home and community-based attendant services included in a service plan under one of the home and community-based services waivers under sections 256B.0915; 256B.092, subdivision 5; and 256B.49, which exceed the amount, duration, and frequency of the state plan home and community-based attendant services for participants who:

(1) need assistance provided periodically during a week but less than daily and will not be able to remain in their homes without assistance, and other replacement services are more expensive or are not available when home and community-based attendant services are to be reduced; or

(2) need additional personal care assistant services beyond the amount authorized by the state plan personal care assistance assessment in order to ensure that their safety, health, and welfare are provided for in their homes.

(d) "Health-related tasks" means those tasks and procedures listed in section 256B.0659, subdivision 2, paragraph (c).

(e) "Home and community-based attendant services and supports" means personal assistance, supports, items, and related services that provide assistance with accomplishing activities of daily living (ADLs), instrumental activities of daily living (IADLs), and health-related tasks including necessary supervision by a qualified professional.

(f) "Individual's representative" means a parent, family member, advocate, or other representative of the individual, authorized in a written statement by the person or the person's legal representative, to speak on the person's behalf and help the person understand and make informed choices in matters related to identification of needs and choice of services and supports and assist the person in the implementation of an approved support plan. For minor children and adults who cannot direct their own care, the individual representative must meet the requirements of section 256B.0659, subdivisions 9 and 10, and shall not act as the home and community-based attendant for the individual.

(g) "Instrumental activities of daily living" means activities related to living independently in the community, including meal planning and preparation, managing finances, shopping for food, clothing, and other essential items, performing essential household chores, communicating by phone or other media, traveling, and participating in the community.

(h) "Legal representative" means the legal guardian or parent of a minor.

(i) "Qualified professional" means a professional providing supervision of home and community-based attendant services and staff as defined in section 256B.0625, subdivision 19c.

Subd. 2. Eligibility. (a) The home and community-based attendant services and supports option is available to a person who:

(1) is a recipient of medical assistance as determined under sections 256B.055, 256B.056, and 256B.057, subdivision 9;

(2) has an income that meets one of the following thresholds as determined annually:

(i) is equal to or less than 150 percent of the federal poverty guidelines; or

(ii) is eligible for nursing facility services under the state plan and for whom it has been determined that in the absence of home and community-based attendant services and supports, the individual would otherwise require a level of care covered by medical assistance and furnished in a hospital, a nursing facility, an intermediate care facility for persons with developmental disabilities, or an institution for mental diseases;

(3) meets the qualification criteria for personal care assistance services under section 256B.0625, subdivision 19a, in effect on July 1, 2010, which requires at least one dependency in an activity of daily living or Level I behavior; and

(4) lives in the person's own apartment or home, which is not owned, operated, or controlled by a provider of services under this section, not related by blood, adoption, family foster care, or marriage. The person does not live in a nursing facility, institution for mental diseases, intermediate care facility for persons with developmental disabilities, or any setting located in a building that is also an inpatient institution or custodial care facility or a building on the grounds or immediately adjacent to a public institution or disability-specific housing complex, as defined by the commissioner.

Subd. 3. Eligibility for other services. Selection of the home and community-based attendant services and supports option by a recipient does not restrict access to other medically necessary care and services furnished under the state plan medical assistance benefit or through other funding, except that a person receiving personal care assistance services, a family support grant, semi-independent living services, or a consumer support grant is not eligible for funding under the home and community-based attendant services and supports option.

Subd. 4. Assessment requirements. (a) The home and community-based attendant services and supports option assessment must meet the following requirements:

(1) for persons whose income is below 150 percent of the federal poverty guidelines, be consistent with the requirements of the personal care assistance services assessment under section 256B.0659, subdivision 3a;

(2) for persons whose income is above 150 percent of the federal poverty guidelines, the person must meet the level of care for a nursing facility, intermediate care facility for persons with developmental disabilities, neurobehavioral hospital, or an institution for mental diseases;

(3) be conducted face-to-face in the recipient's home initially and at least annually thereafter; when there is a significant change in the recipient's condition; and when there is a change in the person's need for services under this option. A recipient who is residing in a facility may be assessed for home and community-based attendant services and supports for purposes of returning to the community using this option;

(4) be completed using the format established by the commissioner; and

(5) for persons whose need for services and supports meets the definition of extended home and community-based attendant services, the lead agency is required to assess for home and community-based services waiver eligibility.

(b) The results of the home and community-based attendant services and supports option assessment and recommendations shall be communicated to the commissioner and the recipient as required under section 256B.0659, subdivision 3a.

(c) The lead agency responsible for administration and implementation of the home and community-based attendant services and supports shall provide the annual and monthly self-directed service budget amounts for all eligible persons within 40 days after an initial assessment or annual review and within ten days if requested at a time unrelated to the assessment or annual review.

Subd. 5. Service plan requirements. (a) The plan for home and community-based attendant services and supports option must meet the following requirements:

(1) the plan must be completed using a person-centered process consistent with the requirements in section 256B.0657, subdivision 5;

(2) reflects the clinical and support needs identified through the assessment;

(3) includes the person's chosen individual goals and providers;

(4) includes the services and supports, both paid and unpaid, that will assist the individual to achieve identified goals;

(5) includes an assessment of risk factors and measures to minimize risks and a backup plan; and

(6) must be signed by the individual or legal representative and other persons responsible for aspects of the plan.

Subd. 6. Covered services. (a) Services covered under the home and community-based attendant services and supports option include:

(1) assistance with activities of daily living, as described under section 256B.0659, subdivision 2;

(2) assistance with instrumental activities of daily living as defined in section 256B.0659, subdivision 1, paragraph (i), for both children and adults;

(3) assistance with health-related procedures and tasks, as defined in section 256B.0659, subdivision 2;

(4) backup systems or mechanisms to ensure continuity of services and supports;

(5) voluntary training for recipients on how to select, manage, and dismiss staff;

(6) expenditures for transition costs such as rent, utility deposits, first and last month's rent, basic kitchen supplies, and other necessities required for an individual to transition from a nursing facility, institution for mental diseases, or intermediate care facility for persons with developmental disabilities to a community-based home setting where the individual resides; and

(7) expenditures related to a need identified in the individual's person-centered plan of services that increase a participant's independence or substitute for human assistance, to the extent that expenditures would otherwise be made for human assistance.

(b) The services and supports that are purchased must be linked to an assessed need or goal established in the individual's person-centered service plan.

(c) All services must be provided to assist the recipient to acquire or enhance skills or to maintain functioning so that the individual can accomplish the activities of daily living, instrumental activities of daily living, and health-related tasks in order to remain or become as independent as possible at home and in the community.

(d) Shared services under this section must meet the requirements of section 256B.0659, subdivisions 16 and 17.

Subd. 7. **Noncovered services.** Services and supports that are not eligible for payment under the home and community-based attendant services and supports option include:

(1) services, goods, or supports that do not benefit the recipient;

(2) special education and related services provided under the Individuals with Disabilities Education Act that are related to education only and vocational rehabilitation services provided under the Rehabilitation Act of 1973;

(3) room and board costs for the individual, except for allowable transition services listed in subdivision 6;

(4) assistive devices and assistive technology services other than those identified in subdivision 6, or those that are based on a specific need identified in the service plan when used in conjunction with other home and community-based attendant services;

(5) medical supplies and equipment;

(6) home modifications; and

(7) items or services listed in section 256B.0659, subdivision 3, except that essential household chores and instrumental activities of daily living for children are allowed to the extent the need and service is documented in the support plan.

Subd. 8. **Service budget requirements.** The budget allocation for a person's home and community-based attendant services and supports option must be based on the budget amount allowed under the assessment for personal care assistant services in section 256B.0659.

Subd. 9. **Staff and qualified professional requirements.** (a) A home and community-based attendant must meet the requirements in section 256B.0659, subdivisions 11, 11a, and 12.

(b) Qualified professionals must meet the requirements in section 256B.0659, subdivisions 13 and 14.

Subd. 10. **Requirements for initial enrollment; annual reenrollment; enrollment after termination.** (a) All home and community-based attendant services and supports option provider agencies must meet the enrollment requirements under section 256B.0659, subdivision 21.

(b) All home and community-based attendant services and supports option provider agencies shall resubmit, on an annual basis, the information required in a format determined by the commissioner as required under section 256B.0659, subdivision 22.

(c) A home and community-based attendant services and supports provider agency that has been disenrolled must meet the requirements of section 256B.0659, subdivision 23, to reenroll.

Subd. 11. **General duties of provider agencies.** Home and community-based attendant services and supports option provider agencies are required to follow section 256B.0659, subdivisions 24, 25, 26, 27, and 28.

Subd. 12. **Stakeholder development and implementation council.** (a) The commissioner shall establish and consult with a stakeholder development and implementation council comprised primarily of individuals with disabilities, elderly individuals and their representatives, and other interested stakeholders, including representatives of assessment agencies and provider agencies.

(b) The commissioner shall consult and collaborate with the council in the development and implementation of a state plan amendment to provide home and community-based attendant services and supports, on matters of data collection, analysis, and outcomes, including the cost of services provided and the cost of alternatives if home and community-based attendant services and supports were not provided, and other health care and community support and social service costs, as well as other costs involving local, state, and federal funds, and quality assurance issues and measures.

Subd. 13. **Quality assurance and risk management.** (a) The commissioner shall establish quality assurance and risk management measures for the home and community-based attendant services and supports option that:

(1) recognizes the person-centered services role of the recipient and chosen advocate or other legal representative, and assure the appropriateness of support plans and budgets based upon the person's resources, capabilities, and needs; and

(2) includes background studies, backup emergency plans, and disaster planning.

(b) The commissioner shall provide ongoing technical assistance and resource education and materials for recipients and their legal representatives and other involved parties, including appropriate information, counseling, training, and assistance.

(c) Performance assessment measures and other outcome data such as the recipient's functioning in their home and community, satisfaction with services and supports, and ongoing monitoring of health and safety shall be identified in consultation with the stakeholder council.

Subd. 14. **Self-directed home and community-based services and supports.** The home and community-based services and supports option includes the option to self-directed services under section 256B.0657.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 15. Minnesota Statutes 2010, section 256B.0911, subdivision 1a, is amended to read:

Subd. 1a. **Definitions.** For purposes of this section, the following definitions apply:

(a) "Long-term care consultation services" means:

- (1) assistance in identifying services needed to maintain an individual in the most inclusive environment;
- (2) providing recommendations on cost-effective community services that are available to the individual;
- (3) development of an individual's person-centered community support plan;

(4) providing information regarding eligibility for Minnesota health care programs;

(5) face-to-face long-term care consultation assessments, which may be completed in a hospital, nursing facility, intermediate care facility for persons with developmental disabilities (ICF/DDs), regional treatment centers, or the person's current or planned residence;

(6) federally mandated screening to determine the need for an institutional level of care under subdivision 4a;

(7) determination of home and community-based waiver service eligibility including level of care determination for individuals who need an institutional level of care as defined under section 144.0724, subdivision 11, or 256B.092, service eligibility including state plan home care services identified in sections 256B.0625, subdivisions 6, 7, and 19, paragraphs (a) and (c), and 256B.0657, based on assessment and support plan development with appropriate referrals, including the option for ~~consumer directed community~~ self-directed supports;

(8) providing recommendations for nursing facility placement when there are no cost-effective community services available; ~~and~~

(9) assistance to transition people back to community settings after facility admission; and

(10) providing notice to the individual and legal representative of the annual and monthly amount authorized for traditional agency services and self-directed services under section 256B.0657 for which the recipient is found eligible.

(b) "Long-term care options counseling" means the services provided by the linkage lines as mandated by sections 256.01 and 256.975, subdivision 7, and also includes telephone assistance and follow up once a long-term care consultation assessment has been completed.

(c) "Minnesota health care programs" means the medical assistance program under chapter 256B and the alternative care program under section 256B.0913.

(d) "Lead agencies" means counties or a collaboration of counties, tribes, and health plans administering long-term care consultation assessment and support planning services.

EFFECTIVE DATE. This section is effective January 1, 2012.

Sec. 16. Minnesota Statutes 2010, section 256B.0911, subdivision 3a, is amended to read:

Subd. 3a. **Assessment and support planning.** (a) Persons requesting assessment, services planning, or other assistance intended to support community-based living, including persons who need assessment in order to determine waiver or alternative care program eligibility, must be visited by a long-term care consultation team within ~~15 calendar~~ 20 working days after the date on which an assessment was requested or recommended. After January 1, 2011, these requirements also apply to personal care assistance services, private duty nursing, and home health agency services, on timelines established in subdivision 5. Face-to-face assessments must be conducted according to paragraphs (b) to (i).

(b) The county may utilize a team of either the social worker or public health nurse, or both. After January 1, 2011, lead agencies shall use certified assessors to conduct the assessment in a face-to-face interview. The consultation team members must confer regarding the most appropriate care for each individual screened or assessed.

(c) The assessment must be comprehensive and include a person-centered assessment of the health, psychological, functional, environmental, and social needs of referred individuals and provide information necessary to develop a support plan that meets the consumers needs, using an assessment form provided by the commissioner.

(d) The assessment must be conducted in a face-to-face interview with the person being assessed and the person's legal representative, as required by legally executed documents, and other individuals as requested by the person, who can provide information on the needs, strengths, and preferences of the person necessary to develop a support plan that ensures the person's health and safety, but who is not a provider of service or has any financial interest in the provision of services.

(e) The person, or the person's legal representative, must be provided with written recommendations for community-based services, including ~~consumer directed~~ self-directed options, or institutional care that include documentation that the most cost-effective alternatives available were offered to the individual. For purposes of this requirement, "cost-effective alternatives" means community services and living arrangements that cost the same as or less than institutional care. For persons determined eligible for services defined under subdivision 1a, paragraph (a), clauses (7) to (9), the community support plan must also include the estimated annual and monthly budget amount for those services.

(f) If the person chooses to use community-based services, the person or the person's legal representative must be provided with a written community support plan, regardless of whether the individual is eligible for Minnesota health care programs. A person may request assistance in identifying community supports without participating in a complete assessment. Upon a request for assistance identifying community support, the person must be transferred or referred to the services available under sections 256.975, subdivision 7, and 256.01, subdivision 24, for telephone assistance and follow up.

(g) The person has the right to make the final decision between institutional placement and community placement after the recommendations have been provided, except as provided in subdivision 4a, paragraph (c).

(h) The team must give the person receiving assessment or support planning, or the person's legal representative, materials, and forms supplied by the commissioner containing the following information:

- (1) the need for and purpose of preadmission screening if the person selects nursing facility placement;
- (2) the role of the long-term care consultation assessment and support planning in waiver and alternative care program eligibility determination;
- (3) information about Minnesota health care programs;
- (4) the person's freedom to accept or reject the recommendations of the team;
- (5) the person's right to confidentiality under the Minnesota Government Data Practices Act, chapter 13;
- (6) the long-term care consultant's decision regarding the person's need for institutional level of care as determined under criteria established in section 144.0724, subdivision 11, or 256B.092; and
- (7) the person's right to appeal the decision regarding the need for nursing facility level of care or the county's final decisions regarding public programs eligibility according to section 256.045, subdivision 3.

(i) Face-to-face assessment completed as part of eligibility determination for the alternative care, elderly waiver, community alternatives for disabled individuals, community alternative care, and traumatic brain injury waiver programs under sections 256B.0915, 256B.0917, and 256B.49 is valid to establish service eligibility for no more

than 60 calendar days after the date of assessment. The effective eligibility start date for these programs can never be prior to the date of assessment. If an assessment was completed more than 60 days before the effective waiver or alternative care program eligibility start date, assessment and support plan information must be updated in a face-to-face visit and documented in the department's Medicaid Management Information System (MMIS). The updated assessment may be completed by face-to-face visit, written communication, or telephone. The effective date of program eligibility in this case cannot be prior to the date the updated assessment is completed.

EFFECTIVE DATE. This section is effective January 1, 2012.

Sec. 17. Minnesota Statutes 2010, section 256B.0911, subdivision 4a, is amended to read:

Subd. 4a. **Preadmission screening activities related to nursing facility admissions.** (a) All applicants to Medicaid certified nursing facilities, including certified boarding care facilities, must be screened prior to admission regardless of income, assets, or funding sources for nursing facility care, except as described in subdivision 4b. The purpose of the screening is to determine the need for nursing facility level of care as described in paragraph (d) and to complete activities required under federal law related to mental illness and developmental disability as outlined in paragraph (b).

(b) A person who has a diagnosis or possible diagnosis of mental illness or developmental disability must receive a preadmission screening before admission regardless of the exemptions outlined in subdivision 4b, paragraph (b), to identify the need for further evaluation and specialized services, unless the admission prior to screening is authorized by the local mental health authority or the local developmental disabilities case manager, or unless authorized by the county agency according to Public Law 101-508.

The following criteria apply to the preadmission screening:

(1) the county must use forms and criteria developed by the commissioner to identify persons who require referral for further evaluation and determination of the need for specialized services; and

(2) the evaluation and determination of the need for specialized services must be done by:

(i) a qualified independent mental health professional, for persons with a primary or secondary diagnosis of a serious mental illness; or

(ii) a qualified developmental disability professional, for persons with a primary or secondary diagnosis of developmental disability. For purposes of this requirement, a qualified developmental disability professional must meet the standards for a qualified developmental disability professional under Code of Federal Regulations, title 42, section 483.430.

(c) The local county mental health authority or the state developmental disability authority under Public Law Numbers 100-203 and 101-508 may prohibit admission to a nursing facility if the individual does not meet the nursing facility level of care criteria or needs specialized services as defined in Public Law Numbers 100-203 and 101-508. For purposes of this section, "specialized services" for a person with developmental disability means active treatment as that term is defined under Code of Federal Regulations, title 42, section 483.440 (a)(1).

(d) The determination of the need for nursing facility level of care must be made according to criteria ~~established developed by the commissioner, and in section 144.0724, subdivision 11, and 256B.092, using forms developed by the commissioner.~~ Effective no sooner than on or after January 1, 2014, for individuals age 21 and older, and on or after October 1, 2019, for individuals under age 21, the determination of need for nursing facility level of care shall be based on criteria in section 144.0724, subdivision 11. In assessing a person's needs, consultation team members shall have a physician available for consultation and shall consider the assessment of the individual's attending physician, if any. The individual's physician must be included if the physician chooses to participate. Other personnel may be included on the team as deemed appropriate by the county.

Sec. 18. Minnesota Statutes 2010, section 256B.0911, subdivision 6, is amended to read:

Subd. 6. **Payment for long-term care consultation services.** (a) Seventy-five percent of the total payment for each county must be paid monthly by certified nursing facilities in the county. The monthly amount to be paid by each nursing facility for each fiscal year must be determined by dividing the county's annual allocation for long-term care consultation services by 12 to determine the monthly payment and allocating the monthly payment to each nursing facility based on the number of licensed beds in the nursing facility. Payments to counties in which there is no certified nursing facility must be made by increasing the payment rate of the two facilities located nearest to the county seat.

(b) The commissioner shall include the total annual payment determined under paragraph (a) for each nursing facility reimbursed under section 256B.431 or 256B.434 according to section 256B.431, subdivision 2b, paragraph (g).

(c) In the event of the layaway, delicensure and decertification, or removal from layaway of 25 percent or more of the beds in a facility, the commissioner may adjust the per diem payment amount in paragraph (b) and may adjust the monthly payment amount in paragraph (a). The effective date of an adjustment made under this paragraph shall be on or after the first day of the month following the effective date of the layaway, delicensure and decertification, or removal from layaway.

(d) Payments for long-term care consultation services are available to the county or counties to cover staff salaries and expenses to provide the services described in subdivision 1a. The county shall employ, or contract with other agencies to employ, within the limits of available funding, sufficient personnel to provide long-term care consultation services while meeting the state's long-term care outcomes and objectives as defined in section 256B.0917, subdivision 1. The county shall be accountable for meeting local objectives as approved by the commissioner in the biennial home and community-based services quality assurance plan on a form provided by the commissioner.

(e) Notwithstanding section 256B.0641, overpayments attributable to payment of the screening costs under the medical assistance program may not be recovered from a facility.

(f) The commissioner of human services shall amend the Minnesota medical assistance plan to include reimbursement for the local consultation teams.

(g) The county may bill, as case management services, assessments, support planning, and follow-along provided to persons determined to be eligible for case management under Minnesota health care programs. ~~No individual or family member shall be charged for an initial assessment or initial support plan development provided under subdivision 3a or 3b.~~ Counties may set a fee schedule for initial assessments and support plan development for individuals who are not financially eligible for medical assistance or MinnesotaCare. The maximum fee must not be greater than the actual cost of the initial assessment and support plan development.

(h) The commissioner shall develop an alternative payment methodology for long-term care consultation services that includes the funding available under this subdivision, and sections 256B.092 and 256B.0659. In developing the new payment methodology, the commissioner shall consider the maximization of federal funding for this activity.

Sec. 19. Minnesota Statutes 2010, section 256B.0913, subdivision 4, is amended to read:

Subd. 4. **Eligibility for funding for services for nonmedical assistance recipients.** (a) Funding for services under the alternative care program is available to persons who meet the following criteria:

(1) the person has been determined by a community assessment under section 256B.0911 to be a person who would require the level of care provided in a nursing facility, as determined under section 256B.0911, subdivision 4a, paragraph (d), but for the provision of services under the alternative care program. ~~Effective January 1, 2011, this determination must be made according to the criteria established in section 144.0724, subdivision 11;~~

(2) the person is age 65 or older;

(3) the person would be eligible for medical assistance within 135 days of admission to a nursing facility;

(4) the person is not ineligible for the payment of long-term care services by the medical assistance program due to an asset transfer penalty under section 256B.0595 or equity interest in the home exceeding \$500,000 as stated in section 256B.056;

(5) the person needs long-term care services that are not funded through other state or federal funding, or other health insurance or other third-party insurance such as long-term care insurance;

(6) except for individuals described in clause (7), the monthly cost of the alternative care services funded by the program for this person does not exceed 75 percent of the monthly limit described under section 256B.0915, subdivision 3a. This monthly limit does not prohibit the alternative care client from payment for additional services, but in no case may the cost of additional services purchased under this section exceed the difference between the client's monthly service limit defined under section 256B.0915, subdivision 3, and the alternative care program monthly service limit defined in this paragraph. If care-related supplies and equipment or environmental modifications and adaptations are or will be purchased for an alternative care services recipient, the costs may be prorated on a monthly basis for up to 12 consecutive months beginning with the month of purchase. If the monthly cost of a recipient's other alternative care services exceeds the monthly limit established in this paragraph, the annual cost of the alternative care services shall be determined. In this event, the annual cost of alternative care services shall not exceed 12 times the monthly limit described in this paragraph;

(7) for individuals assigned a case mix classification A as described under section 256B.0915, subdivision 3a, paragraph (a), with (i) no dependencies in activities of daily living, or (ii) only one dependency up to two dependencies in bathing, dressing, grooming, or walking, or (iii) a dependency score of less than three if eating is the only dependency and eating when the dependency score in eating is three or greater as determined by an assessment performed under section 256B.0911, the monthly cost of alternative care services funded by the program cannot exceed ~~\$600~~ \$593 per month for all new participants enrolled in the program on or after July 1, ~~2009~~ 2011. This monthly limit shall be applied to all other participants who meet this criteria at reassessment. This monthly limit shall be increased annually as described in section 256B.0915, subdivision 3a, paragraph (a). This monthly limit does not prohibit the alternative care client from payment for additional services, but in no case may the cost of additional services purchased exceed the difference between the client's monthly service limit defined in this clause and the limit described in clause (6) for case mix classification A; and

(8) the person is making timely payments of the assessed monthly fee.

A person is ineligible if payment of the fee is over 60 days past due, unless the person agrees to:

(i) the appointment of a representative payee;

(ii) automatic payment from a financial account;

(iii) the establishment of greater family involvement in the financial management of payments; or

(iv) another method acceptable to the lead agency to ensure prompt fee payments.

The lead agency may extend the client's eligibility as necessary while making arrangements to facilitate payment of past-due amounts and future premium payments. Following disenrollment due to nonpayment of a monthly fee, eligibility shall not be reinstated for a period of 30 days.

(b) Alternative care funding under this subdivision is not available for a person who is a medical assistance recipient or who would be eligible for medical assistance without a spenddown or waiver obligation. A person whose initial application for medical assistance and the elderly waiver program is being processed may be served under the alternative care program for a period up to 60 days. If the individual is found to be eligible for medical assistance, medical assistance must be billed for services payable under the federally approved elderly waiver plan and delivered from the date the individual was found eligible for the federally approved elderly waiver plan. Notwithstanding this provision, alternative care funds may not be used to pay for any service the cost of which: (i) is payable by medical assistance; (ii) is used by a recipient to meet a waiver obligation; or (iii) is used to pay a medical assistance income spenddown for a person who is eligible to participate in the federally approved elderly waiver program under the special income standard provision.

(c) Alternative care funding is not available for a person who resides in a licensed nursing home, certified boarding care home, hospital, or intermediate care facility, except for case management services which are provided in support of the discharge planning process for a nursing home resident or certified boarding care home resident to assist with a relocation process to a community-based setting.

(d) Alternative care funding is not available for a person whose income is greater than the maintenance needs allowance under section 256B.0915, subdivision 1d, but equal to or less than 120 percent of the federal poverty guideline effective July 1 in the fiscal year for which alternative care eligibility is determined, who would be eligible for the elderly waiver with a waiver obligation.

Sec. 20. Minnesota Statutes 2010, section 256B.0915, subdivision 3a, is amended to read:

Subd. 3a. **Elderly waiver cost limits.** (a) The monthly limit for the cost of waived services to an individual elderly waiver client except for individuals described in paragraph (b) shall be the weighted average monthly nursing facility rate of the case mix resident class to which the elderly waiver client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, less the recipient's maintenance needs allowance as described in subdivision 1d, paragraph (a), until the first day of the state fiscal year in which the resident assessment system as described in section 256B.438 for nursing home rate determination is implemented. Effective on the first day of the state fiscal year in which the resident assessment system as described in section 256B.438 for nursing home rate determination is implemented and the first day of each subsequent state fiscal year, the monthly limit for the cost of waived services to an individual elderly waiver client shall be the rate of the case mix resident class to which the waiver client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, in effect on the last day of the previous state fiscal year, adjusted by ~~the greater of~~ any legislatively adopted home and community-based services percentage rate ~~increase or the average statewide percentage increase in nursing facility payment rates adjustment.~~

(b) The monthly limit for the cost of waived services to an individual elderly waiver client assigned to a case mix classification A under paragraph (a) with:

(1) no dependencies in activities of daily living; ~~or~~

(2) ~~only one dependency up to two dependencies~~ in bathing, dressing, grooming, ~~or~~ walking, ~~or~~ ~~(3) a dependency score of less than three if eating is the only dependency, and eating when the dependency score in eating is three or greater as determined by an assessment performed under section 256B.0911~~

shall be ~~the lower of the case mix classification amount for case mix A as determined under paragraph (a) or the case mix classification amount for case mix A~~ \$1,750 per month effective on ~~October~~ July 1, 2008 2011, per month for all new participants enrolled in the program on or after July 1, ~~2009~~ 2011. This monthly limit shall be applied to all other participants who meet this criteria at reassessment. This monthly limit shall be increased annually as described in paragraph (a).

(c) If extended medical supplies and equipment or environmental modifications are or will be purchased for an elderly waiver client, the costs may be prorated for up to 12 consecutive months beginning with the month of purchase. If the monthly cost of a recipient's waived services exceeds the monthly limit established in paragraph (a) or (b), the annual cost of all waived services shall be determined. In this event, the annual cost of all waived services shall not exceed 12 times the monthly limit of waived services as described in paragraph (a) or (b).

Sec. 21. Minnesota Statutes 2010, section 256B.0915, subdivision 3b, is amended to read:

Subd. 3b. **Cost limits for elderly waiver applicants who reside in a nursing facility.** (a) For a person who is a nursing facility resident at the time of requesting a determination of eligibility for elderly waived services, a monthly conversion budget limit for the cost of elderly waived services may be requested. The monthly conversion budget limit for the cost of elderly waiver services shall be the resident class assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, for that resident in the nursing facility where the resident currently resides until July 1 of the state fiscal year in which the resident assessment system as described in section 256B.438 for nursing home rate determination is implemented. Effective on July 1 of the state fiscal year in which the resident assessment system as described in section 256B.438 for nursing home rate determination is implemented, the monthly conversion budget limit for the cost of elderly waiver services shall be based on the per diem nursing facility rate as determined by the resident assessment system as described in section 256B.438 for ~~that resident residents~~ in the nursing facility where the resident elderly waiver applicant currently resides ~~multiplied~~. The monthly conversion budget limit shall be calculated by multiplying the per diem by 365 and, divided by 12, less and reduced by the recipient's maintenance needs allowance as described in subdivision 1d. The initially approved monthly conversion rate may budget limit shall be adjusted by the greater of any subsequent legislatively adopted home and community-based services percentage rate increase or the average statewide percentage increase in nursing facility payment rates annually as described in subdivision 3a, paragraph (a). The limit under this subdivision only applies to persons discharged from a nursing facility after a minimum 30-day stay and found eligible for waived services on or after July 1, 1997. For conversions from the nursing home to the elderly waiver with consumer directed community support services, the ~~conversion rate limit is equal to the nursing facility rate per diem used to calculate the monthly conversion budget limit~~ must be reduced by a percentage equal to the percentage difference between the consumer directed services budget limit that would be assigned according to the federally approved waiver plan and the corresponding community case mix cap, but not to exceed 50 percent.

(b) The following costs must be included in determining the total monthly costs for the waiver client:

(1) cost of all waived services, including ~~extended medical~~ specialized supplies and equipment and environmental ~~modifications and~~ accessibility adaptations; and

(2) cost of skilled nursing, home health aide, and personal care services reimbursable by medical assistance.

Sec. 22. Minnesota Statutes 2010, section 256B.0915, subdivision 3e, is amended to read:

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

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

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

(d) With the exception of individuals described in subdivision 3a, paragraph (b), the individualized monthly authorized payment for the customized living service plan shall not exceed 50 percent of the greater of either the statewide or any of the geographic groups' weighted average monthly nursing facility rate of the case mix resident class to which the elderly waiver eligible client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, less the maintenance needs allowance as described in subdivision 1d, paragraph (a), until the July 1 of the state fiscal year in which the resident assessment system as described in section 256B.438 for nursing home rate determination is implemented. Effective on July 1 of the state fiscal year in which the resident assessment system as described in section 256B.438 for nursing home rate determination is implemented and July 1 of each subsequent state fiscal year, the individualized monthly authorized payment for the services described in this clause shall not exceed the limit which was in effect on June 30 of the previous state fiscal year updated annually based on legislatively adopted changes to all service rate maximums for home and community-based service providers.

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

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

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

Sec. 23. Minnesota Statutes 2010, section 256B.0915, subdivision 3h, is amended to read:

Subd. 3h. **Service rate limits; 24-hour customized living services.** (a) The payment rate for 24-hour customized living services is a monthly rate authorized by the lead agency within the parameters established by the commissioner of human services. The payment agreement must delineate the amount of each component service included in each recipient's customized living service plan. The lead agency shall ensure that there is a documented need within the parameters established by the commissioner for all component customized living services authorized. The lead agency shall not authorize 24-hour customized living services unless there is a documented need for 24-hour supervision.

(b) For purposes of this section, "24-hour supervision" means that the recipient requires assistance due to needs related to one or more of the following:

- (1) intermittent assistance with toileting, positioning, or transferring;
- (2) cognitive or behavioral issues;

(3) a medical condition that requires clinical monitoring; or

(4) for all new participants enrolled in the program on or after ~~January~~ July 1, 2011, and all other participants at their first reassessment after ~~January~~ July 1, 2011, dependency in at least ~~two~~ three of the following activities of daily living as determined by assessment under section 256B.0911: bathing; dressing; grooming; walking; or eating when the dependency score in eating is three or greater; and needs medication management and at least 50 hours of service per month. The lead agency shall ensure that the frequency and mode of supervision of the recipient and the qualifications of staff providing supervision are described and meet the needs of the recipient.

(c) The payment rate for 24-hour customized living services must be based on the amount of component services to be provided utilizing component rates established by the commissioner. Counties and tribes will use tools issued by the commissioner to develop and document customized living plans and authorize rates.

(d) Component service rates must not exceed payment rates for comparable elderly waiver or medical assistance services and must reflect economies of scale.

(e) The individually authorized 24-hour customized living payments, in combination with the payment for other elderly waiver services, including case management, must not exceed the recipient's community budget cap specified in subdivision 3a. Customized living services must not include rent or raw food costs.

(f) The individually authorized 24-hour customized living payment rates shall not exceed the 95 percentile of statewide monthly authorizations for 24-hour customized living services in effect and in the Medicaid management information systems on March 31, 2009, for each case mix resident class under Minnesota Rules, parts 9549.0050 to 9549.0059, to which elderly waiver service clients are assigned. When there are fewer than 50 authorizations in effect in the case mix resident class, the commissioner shall multiply the calculated service payment rate maximum for the A classification by the standard weight for that classification under Minnesota Rules, parts 9549.0050 to 9549.0059, to determine the applicable payment rate maximum. Service payment rate maximums shall be updated annually based on legislatively adopted changes to all service rates for home and community-based service providers.

(g) Notwithstanding the requirements of paragraphs (d) and (f), the commissioner may establish alternative payment rate systems for 24-hour customized living services in housing with services establishments which are freestanding buildings with a capacity of 16 or fewer, by applying a single hourly rate for covered component services provided in either:

(1) licensed corporate adult foster homes; or

(2) specialized dementia care units which meet the requirements of section 144D.065 and in which:

(i) each resident is offered the option of having their own apartment; or

(ii) the units are licensed as board and lodge establishments with maximum capacity of eight residents, and which meet the requirements of Minnesota Rules, part 9555.6205, subparts 1, 2, 3, and 4, item A.

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

Sec. 24. Minnesota Statutes 2010, section 256B.0915, subdivision 5, is amended to read:

Subd. 5. **Assessments and reassessments for waiver clients.** (a) Each client shall receive an initial assessment of strengths, informal supports, and need for services in accordance with section 256B.0911, subdivisions 3, 3a, and 3b. A reassessment of a client served under the elderly waiver must be conducted at least every 12 months and at other times when the case manager determines that there has been significant change in the client's functioning. This may include instances where the client is discharged from the hospital. There must be a determination that the client requires nursing facility level of care as defined in section ~~144.0724, subdivision 4~~ 256B.0911, subdivision 4a, paragraph (d), at initial and subsequent assessments to initiate and maintain participation in the waiver program.

(b) Regardless of other assessments identified in section 144.0724, subdivision 4, as appropriate to determine nursing facility level of care for purposes of medical assistance payment for nursing facility services, only face-to-face assessments conducted according to section 256B.0911, subdivisions 3a and 3b, that result in a nursing facility level of care determination will be accepted for purposes of initial and ongoing access to waiver service payment.

Sec. 25. Minnesota Statutes 2010, section 256B.0915, subdivision 10, is amended to read:

Subd. 10. **Waiver payment rates; managed care organizations.** The commissioner shall adjust the elderly waiver capitation payment rates for managed care organizations paid under section 256B.69, subdivisions 6a and 23, to reflect the maximum service rate limits for customized living services and 24-hour customized living services under subdivisions 3e and 3h ~~for the contract period beginning October 1, 2009~~. Medical assistance rates paid to customized living providers by managed care organizations under this section shall not exceed the maximum service rate limits and component rates as determined by the commissioner under subdivisions 3e and 3h.

Sec. 26. Minnesota Statutes 2010, section 256B.0916, subdivision 6a, is amended to read:

Subd. 6a. **Statewide availability of ~~consumer-directed community~~ self-directed support services.** (a) The commissioner shall submit to the federal Health Care Financing Administration by August 1, 2001, an amendment to the home and community-based waiver ~~for persons with developmental disabilities under section 256B.092 and by April 1, 2005, for waivers under sections 256B.0915 and 256B.49, to make consumer-directed community self-~~directed support services available in every county of the state ~~by January 1, 2002~~.

(b) Until the waiver amendment for self-directed community supports under section 54 is effective, if a county declines to meet the requirements for provision of ~~consumer-directed community~~ self-directed supports, the commissioner shall contract with another county, a group of counties, or a private agency to plan for and administer ~~consumer-directed community~~ self-directed supports in that county.

(c) The state of Minnesota, county agencies, tribal governments, or administrative entities under contract to participate in the implementation and administration of the home and community-based waiver for persons with developmental disabilities, shall not be liable for damages, injuries, or liabilities sustained through the purchase of support by the individual, the individual's family, legal representative, or the authorized representative with funds received through the ~~consumer-directed community~~ self-directed support service under this section. Liabilities include but are not limited to: workers' compensation liability, the Federal Insurance Contributions Act (FICA), or the Federal Unemployment Tax Act (FUTA).

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 27. Minnesota Statutes 2010, section 256B.092, subdivision 1a, is amended to read:

Subd. 1a. **Case management ~~administration and~~ services.** (a) ~~The administrative functions of case management provided to or arranged for a person include:~~

~~(1) review of eligibility for services;~~

~~(2) screening;~~

~~(3) intake;~~

~~(4) diagnosis;~~

~~(5) the review and authorization of services based upon an individualized service plan; and~~

~~(6) responding to requests for conciliation conferences and appeals according to section 256.045 made by the person, the person's legal guardian or conservator, or the parent if the person is a minor. Case management services must be provided by a public or private agency that is enrolled as a medical assistance provider determined by the commissioner to meet all of the requirements in the approved federal waiver plans. Case management services cannot be provided to a recipient by a private agency that has any financial interest in the provisions of any other services included in the recipient's coordinated service and support plan.~~

(b) ~~Case management service activities provided to or arranged for a person include~~ services must be provided to each recipient of home and community-based waiver services and available to those eligible for case management under sections 256B.0621 and 256B.0924, subdivision 4, who choose this service. Case management services for an eligible person include:

(1) development of the ~~individual~~ coordinated service and support plan;

(2) informing the individual or the individual's legal guardian or conservator, or parent if the person is a minor, of service options;

(3) consulting with relevant medical experts or service providers;

(4) assisting the person in the identification of potential providers;

(5) assisting the person to access services;

(6) coordination of services, including coordinating with the person's health care home or health coordinator, if coordination of long-term care or community supports and health care is not provided by another service provider;

(7) evaluation and monitoring of the services identified in the plan including at least one face-to-face visit with each person annually by the case manager; and

(8) ~~annual reviews of service plans and services provided~~ providing the lead agency with recommendations for service authorization based upon the individual's needs identified in the support plan within ten working days after receiving the community support plan from the certified assessor under section 256B.0911.

(c) Case management ~~administration and~~ service activities that are provided to the person with a developmental disability shall be provided directly by ~~county agencies or under contract~~ a public or private agency that is enrolled as a medical assistance provider determined by the commissioner to meet all of the requirements in section 256B.0621, subdivision 5, paragraphs (a) and (b), clauses (1) to (5), and has no financial interest in the provision of any other services to the person choosing case management service.

~~(d) Case managers are responsible for the administrative duties and service provisions listed in paragraphs (a) and (b).~~ Case managers shall collaborate with consumers, families, legal representatives, and relevant medical experts and service providers in the development and annual review of the individualized service and habilitation plans.

(e) The Department of Human Services shall offer ongoing education in case management to case managers. Case managers shall receive no less than ten hours of case management education and disability-related training each year.

(f) Persons eligible for home and community-based waiver services may choose a case management service provider from among the public or private vendors enrolled according to paragraph (d).

(g) For persons eligible for case management under section 256B.0924, and Minnesota Rules, parts 9525.0004 to 9525.0036, the county or lead agency shall designate the case management service provider.

EFFECTIVE DATE. This section is effective January 1, 2012.

Sec. 28. Minnesota Statutes 2010, section 256B.092, subdivision 1b, is amended to read:

Subd. 1b. ~~Individual~~ **Coordinated service and support plan.** ~~The individual~~ Each recipient of case management services and any legal representative shall be provided a written copy of the coordinated service and support plan ~~must~~, which:

(1) ~~include~~ is developed within ten working days after the case management service receives the community support plan from the certified assessor under section 256B.0911;

(2) ~~includes~~ the results of the assessment information on the person's need for service, including identification of service needs that will be or that are met by the person's relatives, friends, and others, as well as community services used by the general public;

(3) ~~reasonably assures~~ the health, safety, and welfare of the recipient;

(2) ~~identify~~ (4) ~~identifies~~ the person's preferences for services as stated by the person, the person's legal guardian or conservator, or the parent if the person is a minor;

(5) ~~provides for an informed choice, as defined in section 256B.77, subdivision 2, paragraph (o), of service and support providers;~~

(3) ~~identify~~ (6) ~~identifies~~ long- and short-range goals for the person;

(4) ~~identify~~ (7) ~~identifies~~ specific services and the amount and frequency of the services to be provided to the person based on assessed needs, preferences, and available resources. The ~~individual~~ coordinated service and support plan shall also specify other services the person needs that are not available;

(5) ~~identify~~ (8) ~~identifies~~ the need for an ~~individual program~~ individual's provider plan to be developed by the provider according to the respective state and federal licensing and certification standards, and additional assessments to be completed or arranged by the provider after service initiation;

(6) ~~identify~~ (9) ~~identifies~~ provider responsibilities to implement and make recommendations for modification to the ~~individual~~ coordinated service and support plan;

(7) ~~include~~ (10) ~~includes~~ notice of the right to have assessments completed and service plans developed within specified time periods, the right to appeal action or inaction, and the right to request a ~~conciliation conference or a hearing~~ an appeal under section 256.045;

~~(8) be (11) is~~ agreed upon and signed by the person, the person's legal guardian or conservator, or the parent if the person is a minor, and the authorized county representative; and

~~(9) be (12) is~~ reviewed by a health professional if the person has overriding medical needs that impact the delivery of services.

~~Service planning formats developed for interagency planning such as transition, vocational, and individual family service plans may be substituted for service planning formats developed by county agencies.~~

EFFECTIVE DATE. This section is effective January 1, 2012.

Sec. 29. Minnesota Statutes 2010, section 256B.092, subdivision 1e, is amended to read:

Subd. 1e. **Case management service monitoring, coordination, and evaluation, and monitoring of services duties.** (a) If the ~~individual~~ coordinated service and support plan identifies the need for individual ~~program provider~~ plans for authorized services, the case ~~manager~~ management service provider shall assure that ~~individual program~~ the individual provider plans are developed by the providers according to clauses (2) to (5). The providers shall assure that the individual ~~program provider~~ plans:

- (1) are developed according to the respective state and federal licensing and certification requirements;
- (2) are designed to achieve the goals of the individual service plan;
- (3) are consistent with other aspects of the ~~individual~~ coordinated service and support plan;
- (4) assure the health and safety of the person; and
- (5) are developed with consistent and coordinated approaches to services among the various service providers.

(b) The case ~~manager~~ management service provider shall monitor the provision of services:

- (1) to assure that the individual service plan is being followed according to paragraph (a);
- (2) to identify any changes or modifications that might be needed in the individual service plan, including changes resulting from recommendations of current service providers;
- (3) to determine if the person's legal rights are protected, and if not, notify the person's legal guardian or conservator, or the parent if the person is a minor, protection services, or licensing agencies as appropriate; and
- (4) to determine if the person, the person's legal guardian or conservator, or the parent if the person is a minor, is satisfied with the services provided.

(c) If the provider fails to develop or carry out the individual program plan according to paragraph (a), the case manager shall notify the person's legal guardian or conservator, or the parent if the person is a minor, the provider, the respective licensing and certification agencies, and the county board where the services are being provided. In addition, the case manager shall identify other steps needed to assure the person receives the services identified in the ~~individual~~ coordinated service and support plan.

EFFECTIVE DATE. This section is effective January 1, 2012.

Sec. 30. Minnesota Statutes 2010, section 256B.092, subdivision 1g, is amended to read:

Subd. 1g. **Conditions not requiring development of ~~individual~~ a coordinated service and support plan.** Unless otherwise required by federal law, the county agency is not required to complete ~~an individual a coordinated service and support plan~~ as defined in subdivision 1b for:

(1) persons whose families are requesting respite care for their family member who resides with them, or whose families are requesting a family support grant and are not requesting purchase or arrangement of habilitative services; and

(2) persons with developmental disabilities, living independently without authorized services or receiving funding for services at a rehabilitation facility as defined in section 268A.01, subdivision 6, and not in need of or requesting additional services.

EFFECTIVE DATE. This section is effective January 1, 2012.

Sec. 31. Minnesota Statutes 2010, section 256B.092, subdivision 3, is amended to read:

Subd. 3. **Authorization and termination of services.** ~~County agency case managers~~ Lead agencies, under rules of the commissioner, shall authorize and terminate services of community and regional treatment center providers according to ~~individual coordinated service and support plans~~. Services provided to persons with developmental disabilities may only be authorized and terminated ~~by case managers~~ according to (1) rules of the commissioner and (2) the ~~individual coordinated service and support plan~~ as defined in subdivision 1b. Medical assistance services not needed shall not be authorized by county agencies or funded by the commissioner. When purchasing or arranging for unlicensed respite care services for persons with overriding health needs, the county agency shall seek the advice of a health care professional in assessing provider staff training needs and skills necessary to meet the medical needs of the person.

EFFECTIVE DATE. This section is effective January 1, 2012.

Sec. 32. Minnesota Statutes 2010, section 256B.092, subdivision 8, is amended to read:

Subd. 8. ~~Screening team~~ **Additional certified assessor duties.** The ~~screening team~~ certified assessor shall:

(1) review diagnostic data;

(2) review health, social, and developmental assessment data using a ~~uniform screening comprehensive assessment~~ tool specified by the commissioner;

(3) identify the level of services appropriate to maintain the person in the most normal and least restrictive setting that is consistent with the person's treatment needs;

(4) identify other noninstitutional public assistance or social service that may prevent or delay long-term residential placement;

(5) assess whether a person is in need of long-term residential care;

(6) make recommendations regarding ~~placement services~~ and payment for: (i) social service or public assistance support, or both, to maintain a person in the person's own home or other place of residence; (ii) training and habilitation service, vocational rehabilitation, and employment training activities; (iii) community residential ~~placement services~~; ~~(iv) regional treatment center placement~~; or ~~(v)~~ (iv) a home and community-based service alternative to community residential placement or regional treatment center placement;

(7) evaluate the availability, location, and quality of the services listed in clause (6), including the impact of placement alternatives services and supports options on the person's ability to maintain or improve existing patterns of contact and involvement with parents and other family members;

(8) identify the cost implications of recommendations in clause (6) and provide written notice of the annual and monthly amount authorized to be spent for services for the recipient;

(9) make recommendations to a court as may be needed to assist the court in making decisions regarding commitment of persons with developmental disabilities; and

(10) inform the person and the person's legal guardian or conservator, or the parent if the person is a minor, that appeal may be made to the commissioner pursuant to section 256.045.

EFFECTIVE DATE. This section is effective January 1, 2012.

Sec. 33. **[256B.0961] STATE QUALITY ASSURANCE, QUALITY IMPROVEMENT, AND LICENSING SYSTEM.**

Subdivision 1. **Scope.** (a) In order to improve the quality of services provided to Minnesotans with disabilities and to meet the requirements of the federally approved home and community-based waivers under section 1915c of the Social Security Act, a State Quality Assurance, Quality Improvement, and Licensing System for Minnesotans receiving disability services is enacted. This system is a partnership between the Department of Human Services and the State Quality Council established under subdivision 3.

(b) This system is a result of the recommendations from the Department of Human Services' licensing and alternative quality assurance study mandated under Laws 2005, First Special Session chapter 4, article 7, section 57, and presented to the legislature in February 2007.

(c) The disability services eligible under this section include:

(1) the home and community-based services waiver programs for persons with developmental disabilities under section 256B.092, subdivision 4, or section 256B.49, including traumatic brain injuries and services for those who qualify for nursing facility level of care or hospital facility level of care;

(2) home care services under section 256B.0651;

(3) family support grants under section 252.32;

(4) consumer support grants under section 256.476;

(5) semi-independent living services under section 252.275; and

(6) services provided through an intermediate care facility for the developmentally 1.27 disabled.

(d) For purposes of this section, the following definitions apply:

(1) "commissioner" means the commissioner of human services;

(2) "council" means the State Quality Council under subdivision 3;

(3) "Quality Assurance Commission" means the commission under section 256B.0951; and

(4) "system" means the State Quality Assurance, Quality Improvement and 2.7 Licensing System under this section.

Subd. 2. **Duties of the commissioner of human services.** (a) The commissioner of human services shall establish the State Quality Council under subdivision 3.

(b) The commissioner shall initially delegate authority to perform licensing functions and activities according to section 245A.16 to a host county in Region 10. The commissioner must not license or reimburse a participating facility, program, or service located in Region 10 if the commissioner has received notification from the host county that the facility, program, or service has failed to qualify for licensure.

(c) The commissioner may conduct random licensing inspections based on outcomes adopted under section 256B.0951, subdivision 3, at facilities or programs, and of services eligible under this section. The role of the random inspections is to verify that the system protects the safety and well-being of persons served and maintains the availability of high-quality services for persons with disabilities.

(d) The commissioner shall ensure that the federal home and community-based waiver requirements are met and that incidents that may have jeopardized safety and health or violated services-related assurances, civil and human rights, and other protections designed to prevent abuse, neglect, and exploitation, are reviewed, investigated, and acted upon in a timely manner.

(e) The commissioner shall seek a federal waiver by July 1, 2012 to allow intermediate care facilities for persons with developmental disabilities to participate in this system.

Subd. 3. **State Quality Council.** (a) There is hereby created a State Quality Council which must define regional quality councils, and carry out a community-based, person-directed quality review component, and a comprehensive system for effective incident reporting, investigation, analysis, and follow-up.

(b) By August 1, 2011, the commissioner of human services shall appoint the members of the initial State Quality Council. Members shall include representatives from the following groups:

(1) disability service recipients and their family members;

(2) during the first two years of the State Quality Council, there must be at least three members from the Region 10 stakeholders. As regional quality councils are formed under subdivision 4, each regional quality council shall appoint one member;

(3) disability service providers;

(4) disability advocacy groups; and

(5) county human services agencies and staff from the Departments of Human Services and Health, and Ombudsman for Mental Health and Developmental Disabilities;

(c) Members of the council who do not receive a salary or wages from an employer for time spent on council duties may receive a per diem payment when performing council duties and functions.

(d) The State Quality Council shall:

(1) assist the Departments of Human Services and Health in fulfilling federally mandated obligations by monitoring disability service quality and quality assurance and improvement practices in Minnesota; and

(2) establish state quality improvement priorities with methods for achieving results and provide an annual report to the legislative committees with jurisdiction over policy and funding of disability services on the outcomes, improvement priorities, and activities undertaken by the commission during the previous state fiscal year.

(e) The State Quality Council, in partnership with the commissioner, shall:

(1) approve and direct implementation of the community-based, person-directed system established in this section;

(2) recommend an appropriate method of funding this system, and determine the feasibility of the use of Medicaid, licensing fees, as well as other possible funding options;

(3) approve measurable outcomes in the areas of health and safety, consumer evaluation, education and training, providers, and systems;

(4) establish variable licensure periods not to exceed three years based on outcomes achieved; and

(5) in cooperation with the Quality Assurance Commission, design a transition plan for licensed providers from Region 10 into the alternative licensing system by July 1, 2013.

(f) The State Quality Council shall notify the commissioner of human services that a facility, program, or service has been reviewed by quality assurance team members under subdivision 4, paragraph (b), clause (13), and qualifies for a license.

(g) The State Quality Council, in partnership with the commissioner, shall establish an ongoing review process for the system. The review shall take into account the comprehensive nature of the system which is designed to evaluate the broad spectrum of licensed and unlicensed entities that provide services to persons with disabilities. The review shall address efficiencies and effectiveness of the system.

(h) The State Quality Council may recommend to the commissioner certain variances from the standards governing licensure of programs for persons with disabilities in order to improve the quality of services so long as the recommended variances do not adversely affect the health or safety of persons being served or compromise the qualifications of staff to provide services.

(i) The safety standards, rights, or procedural protections referenced under subdivision 2, paragraph (c), shall not be varied. The State Quality Council may make recommendations to the commissioner or to the legislature in the report required under paragraph (c) regarding alternatives or modifications to the safety standards, rights, or procedural protections referenced under subdivision 2, paragraph (c).

(j) The State Quality Council may hire staff to perform the duties assigned in this 4.14 subdivision.

Subd. 4. **Regional quality councils.** (a) The commissioner shall establish, as selected by the State Quality Council, regional quality councils of key stakeholders, including regional representatives of:

(1) disability service recipients and their family members;

(2) disability service providers;

(3) disability advocacy groups; and

(4) county human services agencies and staff from the Departments of Human Services, and Health, and Ombudsman for Mental Health and Developmental Disabilities.

(b) Each regional quality council shall:

(1) direct and monitor the community-based, person-directed quality assurance system in this section;

(2) approve a training program for quality assurance team members under clause (13);

(3) review summary reports from quality assurance team reviews and make recommendations to the State Quality Council regarding program licensure;

(4) make recommendations to the State Quality Council regarding the system;

(5) resolve complaints between the quality assurance teams, counties, providers, persons receiving services, their families, and legal representatives;

(6) analyze and review quality outcomes and critical incident data reporting incidents of life safety concerns immediately to the Department of Human Services licensing division;

(7) provide information and training programs for persons with disabilities and their families and legal representatives on service options and quality expectations;

(8) disseminate information and resources developed to other regional quality councils;

(9) respond to state-level priorities;

(10) establish regional priorities for quality improvement;

(11) submit an annual report to the State Quality Council on the status, outcomes, improvement priorities, and activities in the region;

(12) choose a representative to participate on the State Quality Council and assume other responsibilities consistent with the priorities of the State Quality Council; and

(13) recruit, train, and assign duties to members of quality assurance teams, taking into account the size of the service provider, the number of services to be reviewed, the skills necessary for the team members to complete the process, and ensure that no team member has a financial, personal, or family relationship with the facility, program, or service being reviewed or with anyone served at the facility, program, or service. Quality assurance teams must be comprised of county staff, persons receiving services or the person's families, legal representatives, members of advocacy organizations, providers, and other involved community members. Team members must complete the training program approved by the regional quality council and must demonstrate performance-based competency. Team members may be paid a per diem and reimbursed for expenses related to their participation in the quality assurance process.

(c) The commissioner shall monitor the safety standards, rights, and procedural protections for the monitoring of psychotropic medications and those identified under sections 245.825; 245.91 to 245.97; 245A.09, subdivision 2, paragraph (c), clauses (2) and (5); 245A.12; 245A.13; 252.41, subdivision 9; 256B.092, subdivision 1b, clause (7); 626.556; and 626.557.

(d) The regional quality councils may hire staff to perform the duties assigned in this subdivision.

(e) The regional quality councils may charge fees for their services.

(f) The quality assurance process undertaken by a regional quality council consists of an evaluation by a quality assurance team of the facility, program, or service. The process must include an evaluation of a random sample of persons served. The sample must be representative of each service provided. The sample size must be at least five percent but not less than two persons served. All persons must be given the opportunity to be included in the quality assurance process in addition to those chosen for the random sample.

(g) A facility, program, or service may contest a licensing decision of the regional quality council as permitted under chapter 245A.

Subd. 5. **Annual survey of service recipients.** The commissioner, in consultation with the State Quality Council, shall conduct an annual independent statewide survey of service recipients, randomly selected, to determine the effectiveness and quality of disability services. The survey must be consistent with the system performance expectations of the Centers for Medicare and Medicaid Services (CMS) Quality Framework. The survey must analyze whether desired outcomes for persons with different demographic, diagnostic, health, and functional needs, who are receiving different types of services in different settings and with different costs, have been achieved. Annual statewide and regional reports of the results must be published and used to assist regions, counties, and providers to plan and measure the impact of quality improvement activities.

Subd. 6. **Mandated reporters.** Members of the State Quality Council under subdivision 3, the regional quality councils under subdivision 4, and quality assurance team members under subdivision 4, paragraph (b), clause (13), are mandated reporters as defined in sections 626.556, subdivision 3, and 626.5572, subdivision 16.

EFFECTIVE DATE. (a) Subdivisions 1 to 6 are effective July 1, 2011.

(b) The jurisdictions of the regional quality councils in subdivision 4 must be defined, with implementation dates, by July 1, 2012. During the biennium beginning July 6.20 1, 2011, the Quality Assurance Commission shall continue to implement the alternative licensing system under this section. An additional two regional quality councils must begin implementation on July 1, 2012, and the final three regional quality councils must begin implementation on July 1, 2013.

Sec. 34. Minnesota Statutes 2010, section 256B.19, is amended by adding a subdivision to read:

Subd. 2d. **Obligation of local agency to process medical assistance applications within established timelines.** (a) Except as provided in paragraph (b), when an individual submits an application for medical assistance and the applicant's eligibility is based on disability or on being age 65 or older, the county must determine the applicant's eligibility and mail a notice of its decision to the applicant within:

(1) 60 days from the date of the application for an individual whose eligibility is based on disability; or

(2) 45 days from the date of the application for an individual whose eligibility is based on being age 65 or older.

(b) The county must determine eligibility and mail a notice of its decision within the time frames stated in paragraph (a), except in the following circumstances:

(1) the county cannot make a determination because, despite reasonable efforts by the county to communicate what is required, the applicant or an examining physician delays or fails to take a required action; or

(2) there is an administrative or other emergency beyond the county's control. For purposes of this clause, a staffing shortage does not constitute an emergency beyond the county's control.

For the events in either clause (1) or (2), the county must document in the applicant's case record the reason for delaying beyond the established time frames.

(c) The county must not use the time frames established in paragraph (a) as a waiting period before determining eligibility or as a reason for denying eligibility because it has not determined eligibility within the established time frames.

(d) Effective July 1, 2011, unless one of the exceptions listed under paragraph (b) applies, if a county fails to comply with paragraph (a) and the applicant ultimately is determined to be eligible for medical assistance, the county is responsible for the entire cost of medical assistance services provided to the applicant by a nursing facility and not paid for by federal funds, from and including the first date of eligibility through the date on which the county mails written notice of its decision on the application. The applicable facility will bill and receive payment directly from the commissioner in customary fashion, and the commissioner shall deduct any obligation incurred under this paragraph from the amount due to the local agency under subdivision 1.

(e) This subdivision supersedes subdivision 1, clause (2), if both apply to an applicant.

Sec. 35. Minnesota Statutes 2010, section 256B.431, subdivision 2r, is amended to read:

Subd. 2r. **Payment restrictions on leave days.** (a) Effective July 1, 1993, the commissioner shall limit payment for leave days in a nursing facility to 79 percent of that nursing facility's total payment rate for the involved resident.

(b) For services rendered on or after July 1, 2003, for facilities reimbursed under this section or section 256B.434, the commissioner shall limit payment for leave days in a nursing facility to 60 percent of that nursing facility's total payment rate for the involved resident.

(c) For services rendered on or after July 1, 2011, for facilities reimbursed under this chapter, the commissioner shall limit payment for leave days in a nursing facility to 30 percent of that nursing facility's total payment rate for the involved resident, and shall allow this payment only when the occupancy of the nursing facility, inclusive of bed hold days, is equal to or greater than 96 percent, notwithstanding Minnesota Rules, part 9505.0415.

Sec. 36. Minnesota Statutes 2010, section 256B.431, is amended by adding a subdivision to read:

Subd. 44. **Property rate increase for a facility in Bloomington effective November 1, 2010.** Notwithstanding any other law to the contrary, money available for moratorium projects under section 144A.073, subdivision 11, shall be used, effective November 1, 2010, to fund an approved moratorium exception project for a nursing facility in Bloomington licensed for 137 beds as of November 1, 2010, up to a total property rate adjustment of \$19.33.

Sec. 37. Minnesota Statutes 2010, section 256B.434, subdivision 4, is amended to read:

Subd. 4. **Alternate rates for nursing facilities.** (a) For nursing facilities which have their payment rates determined under this section rather than section 256B.431, the commissioner shall establish a rate under this subdivision. The nursing facility must enter into a written contract with the commissioner.

(b) A nursing facility's case mix payment rate for the first rate year of a facility's contract under this section is the payment rate the facility would have received under section 256B.431.

(c) A nursing facility's case mix payment rates for the second and subsequent years of a facility's contract under this section are the previous rate year's contract payment rates plus an inflation adjustment and, for facilities reimbursed under this section or section 256B.431, an adjustment to include the cost of any increase in Health Department licensing fees for the facility taking effect on or after July 1, 2001. The index for the inflation adjustment must be based on the change in the Consumer Price Index-All Items (United States City average) (CPI-U) forecasted by the commissioner of management and budget's national economic consultant, as forecasted in the fourth quarter of the calendar year preceding the rate year. The inflation adjustment must be based on the 12-month period from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined. For the rate years beginning on July 1, 1999, July 1, 2000, July 1, 2001, July 1, 2002, July 1, 2003, July 1, 2004, July 1, 2005, July 1, 2006, July 1, 2007, July 1, 2008, October 1, 2009, and October 1, 2010, ~~October 1, 2011, and October 1, 2012~~; this paragraph shall apply only to the property-related payment rate, ~~except that adjustments to include the cost of any increase in Health Department licensing fees taking effect on or after July 1, 2001, shall be provided.~~ For the rate years beginning on October 1, 2011, and October 1, 2012, the rate adjustment under this paragraph shall be suspended. Beginning in 2005, adjustment to the property payment rate under this section and section 256B.431 shall be effective on October 1. In determining the amount of the property-related payment rate adjustment under this paragraph, the commissioner shall determine the proportion of the facility's rates that are property-related based on the facility's most recent cost report.

(d) The commissioner shall develop additional incentive-based payments of up to five percent above a facility's operating payment rate for achieving outcomes specified in a contract. The commissioner may solicit contract amendments and implement those which, on a competitive basis, best meet the state's policy objectives. The commissioner shall limit the amount of any incentive payment and the number of contract amendments under this paragraph to operate the incentive payments within funds appropriated for this purpose. The contract amendments may specify various levels of payment for various levels of performance. Incentive payments to facilities under this paragraph may be in the form of time-limited rate adjustments or onetime supplemental payments. In establishing the specified outcomes and related criteria, the commissioner shall consider the following state policy objectives:

(1) successful diversion or discharge of residents to the residents' prior home or other community-based alternatives;

(2) adoption of new technology to improve quality or efficiency;

(3) improved quality as measured in the Nursing Home Report Card;

(4) reduced acute care costs; and

(5) any additional outcomes proposed by a nursing facility that the commissioner finds desirable.

(e) Notwithstanding the threshold in section 256B.431, subdivision 16, facilities that take action to come into compliance with existing or pending requirements of the life safety code provisions or federal regulations governing sprinkler systems must receive reimbursement for the costs associated with compliance if all of the following conditions are met:

(1) the expenses associated with compliance occurred on or after January 1, 2005, and before December 31, 2008;

(2) the costs were not otherwise reimbursed under subdivision 4f or section 144A.071 or 144A.073; and

(3) the total allowable costs reported under this paragraph are less than the minimum threshold established under section 256B.431, subdivision 15, paragraph (e), and subdivision 16.

The commissioner shall use money appropriated for this purpose to provide to qualifying nursing facilities a rate adjustment beginning October 1, 2007, and ending September 30, 2008. Nursing facilities that have spent money or anticipate the need to spend money to satisfy the most recent life safety code requirements by (1) installing a sprinkler system or (2) replacing all or portions of an existing sprinkler system may submit to the commissioner by June 30, 2007, on a form provided by the commissioner the actual costs of a completed project or the estimated costs, based on a project bid, of a planned project. The commissioner shall calculate a rate adjustment equal to the allowable costs of the project divided by the resident days reported for the report year ending September 30, 2006. If the costs from all projects exceed the appropriation for this purpose, the commissioner shall allocate the money appropriated on a pro rata basis to the qualifying facilities by reducing the rate adjustment determined for each facility by an equal percentage. Facilities that used estimated costs when requesting the rate adjustment shall report to the commissioner by January 31, 2009, on the use of this money on a form provided by the commissioner. If the nursing facility fails to provide the report, the commissioner shall recoup the money paid to the facility for this purpose. If the facility reports expenditures allowable under this subdivision that are less than the amount received in the facility's annualized rate adjustment, the commissioner shall recoup the difference.

Sec. 38. Minnesota Statutes 2010, section 256B.437, subdivision 6, is amended to read:

Subd. 6. **Planned closure rate adjustment.** (a) The commissioner of human services shall calculate the amount of the planned closure rate adjustment available under subdivision 3, paragraph (b), for up to 5,140 beds according to clauses (1) to (4):

(1) the amount available is the net reduction of nursing facility beds multiplied by \$2,080;

(2) the total number of beds in the nursing facility or facilities receiving the planned closure rate adjustment must be identified;

(3) capacity days are determined by multiplying the number determined under clause (2) by 365; and

(4) the planned closure rate adjustment is the amount available in clause (1), divided by capacity days determined under clause (3).

(b) A planned closure rate adjustment under this section is effective on the first day of the month following completion of closure of the facility designated for closure in the application and becomes part of the nursing facility's total operating payment rate.

(c) Applicants may use the planned closure rate adjustment to allow for a property payment for a new nursing facility or an addition to an existing nursing facility or as an operating payment rate adjustment. Applications approved under this subdivision are exempt from other requirements for moratorium exceptions under section 144A.073, subdivisions 2 and 3.

(d) Upon the request of a closing facility, the commissioner must allow the facility a closure rate adjustment as provided under section 144A.161, subdivision 10.

(e) A facility that has received a planned closure rate adjustment may reassign it to another facility that is under the same ownership at any time within three years of its effective date. The amount of the adjustment shall be computed according to paragraph (a).

(f) If the per bed dollar amount specified in paragraph (a), clause (1), is increased, the commissioner shall recalculate planned closure rate adjustments for facilities that delicense beds under this section on or after July 1, 2001, to reflect the increase in the per bed dollar amount. The recalculated planned closure rate adjustment shall be effective from the date the per bed dollar amount is increased.

(g) For planned closures approved after June 30, 2009, the commissioner of human services shall calculate the amount of the planned closure rate adjustment available under subdivision 3, paragraph (b), according to paragraph (a), clauses (1) to (4).

(h) Beginning July 16, 2011, the commissioner shall no longer approve planned closure rate adjustments under this subdivision.

Sec. 39. Minnesota Statutes 2010, section 256B.441, is amended by adding a subdivision to read:

Subd. 60. Rate increase for low-rate facilities. (a) Effective October 1, 2011, the commissioner shall adjust the operating payment rates of a nursing facility whose operating payment rate on September 30, 2011, is greater than the 95th percentile of all nursing facilities operating payment rates. The commissioner shall:

(1) array all operating payment rates in effect on September 30, 2011, at a case-mix weight equal to 1.00 (DDF) from lowest to highest;

(2) remove from the array any nursing facility determined by the commissioner to be providing specialized care, determined in accordance with criteria in subdivision 51a, paragraph (b), and any facilities receiving a rate increase under paragraph (c), clause (1);

(3) determine the 95th percentile of the array in clause (1);

(4) compute a reduction amount not to exceed three percent, if a facility's amount in clause (1) is greater than the amount computed in clause (3) by subtracting a facility's DDF rate in clause (1) from the amount computed in clause (3);

(5) compute the portion of each facility's DDF operating payment rate that is the direct care per diem based on the rates in effect on September 30, 2011; and

(6) determine the change for all other case-mix levels, by multiplying the amount in clause (4) by the percentage in clause (5) and by the corresponding case-mix weight for each care level. Add to this product the non-direct care per diem portion of the amount in clause (4).

(b) The total amount to be saved by the rate reductions will be computed. The commissioner shall:

(1) for each facility receiving a rate change in paragraph (a), multiply each case-mix level's rate change in paragraph (a), clause (6), by the corresponding case-mix resident days from the most recent cost report that has been desk audited; and

(2) sum all the products computed in clause (1).

(c) The amount of total payment reductions computed in paragraph (b) shall be distributed to the facilities with the lowest DDF operating payment rates determined in paragraph (a), clause (1). The commissioner shall:

(1) for nursing facilities located no more than one-quarter mile from a peer group with higher limits under either subdivision 50 or 51, give an operating rate adjustment. The operating payment rates of a lower-limit peer group facility must be adjusted to be equal to those of the nearest facility in a higher-limit peer group if that facility's RUG rate with a weight of 1.00 is higher than the lower-limit peer group facility. Peer groups are those defined in subdivision 30. The nearest facility must be determined by the most direct driving route;

(2) start with the facility or facilities with the lowest DDF operating payment rate and compute the amount of a rate adjustment needed to make the DDF rate equal to the DDF of the facility directly below it in the array;

(3) compute the rate increases for the other case-mix levels using the amount computed in clause (2), and the process stated in paragraph (a), clauses (5) and (6);

(4) compute the total amount the lowest facilities will receive using the process described in paragraph (b);

(5) compute the running total to be spent at all facilities receiving an increase under this paragraph by summing each facility's amount computed in clause (4); and

(6) repeat the process in clauses (2) to (5) as long as the amount in clause (5) does not exceed the amount in paragraph (b), clause (2). In no case shall the DDF operating payment rate increase determined in clauses (2) to (6) exceed two percent.

Sec. 40. Minnesota Statutes 2010, section 256B.441, is amended by adding a subdivision to read:

Subd. 61. **Rate reduction for low-need residents.** Beginning July 1, 2011, the operating payment paid to nursing facilities by Medicaid or private pay and reimbursed under this chapter for all residents classified as PA1 shall be reduced by the lesser of: (1) 25 percent of the PA1 rate in effect on June 30, 2011, for the specific facility; or (2) the PA1 rate in effect on June 30, 2011, for the specific facility less the PA1 rate in effect on June 30, 2011, for the facility at the tenth percentile of all facilities ranked from the highest to the lowest PA1 rate in effect on June 30, 2011. No operating payment rate increases may result from this provision.

Sec. 41. Minnesota Statutes 2010, section 256B.48, subdivision 1, is amended to read:

Subdivision 1. **Prohibited practices.** A nursing facility is not eligible to receive medical assistance payments unless it refrains from all of the following:

(a) Charging private paying residents rates for similar services which exceed those which are approved by the state agency for medical assistance recipients as determined by the prospective desk audit rate, except under the following circumstances:

(1) the nursing facility may;

(4) (i) charge private paying residents a higher rate for a private room; and

(2) (ii) charge for special services which are not included in the daily rate if medical assistance residents are charged separately at the same rate for the same services in addition to the daily rate paid by the commissioner;

(2) effective July 1, 2011, through September 30, 2012, nursing facilities may charge private paying residents rates up to two percent higher than the allowable payment rate determined by the commissioner for the RUGS group currently assigned to the resident;

(3) effective October 1, 2012, through September 30, 2013, nursing facilities may charge private paying residents rates up to four percent higher than the allowable payment rate determined by the commissioner for the RUGS group currently assigned to the resident;

(4) effective October 1, 2013, through September 30, 2014, nursing facilities may charge private paying residents rates up to six percent higher than the allowable payment rate determined by the commissioner for the RUGS group currently assigned to the resident;

(5) effective October 1, 2014, nursing facilities may charge private paying residents up to eight percent higher than the allowable payment rate determined by the commissioner for the RUGS group currently assigned to the resident; and

(6) the higher private pay charges allowed in this paragraph shall be limited to actual costs per resident day, as determined by the commissioner, based on data provided in the statistical and cost report in section 256B.441.

Nothing in this section precludes a nursing facility from charging a rate allowable under the facility's single room election option under Minnesota Rules, part 9549.0060, subpart 11. Services covered by the payment rate must be the same regardless of payment source. Special services, if offered, must be available to all residents in all areas of the nursing facility and charged separately at the same rate. Residents are free to select or decline special services. Special services must not include services which must be provided by the nursing facility in order to comply with licensure or certification standards and that if not provided would result in a deficiency or violation by the nursing facility. Services beyond those required to comply with licensure or certification standards must not be charged separately as a special service if they were included in the payment rate for the previous reporting year. A nursing facility that charges a private paying resident a rate in violation of this clause is subject to an action by the state of Minnesota or any of its subdivisions or agencies for civil damages. A private paying resident or the resident's legal representative has a cause of action for civil damages against a nursing facility that charges the resident rates in violation of this clause. The damages awarded shall include three times the payments that result from the violation, together with costs and disbursements, including reasonable attorneys' fees or their equivalent. A private paying resident or the resident's legal representative, the state, subdivision or agency, or a nursing facility may request a hearing to determine the allowed rate or rates at issue in the cause of action. Within 15 calendar days after receiving a request for such a hearing, the commissioner shall request assignment of an administrative law judge under sections 14.48 to 14.56 to conduct the hearing as soon as possible or according to agreement by the parties. The administrative law judge shall issue a report within 15 calendar days following the close of the hearing. The prohibition set forth in this clause shall not apply to facilities licensed as boarding care facilities which are not certified as skilled or intermediate care facilities level I or II for reimbursement through medical assistance.

(b)(1) Charging, soliciting, accepting, or receiving from an applicant for admission to the facility, or from anyone acting in behalf of the applicant, as a condition of admission, expediting the admission, or as a requirement for the individual's continued stay, any fee, deposit, gift, money, donation, or other consideration not otherwise required as payment under the state plan. For residents on medical assistance, medical assistance payment according to the state plan must be accepted as payment in full for continued stay, except where otherwise provided for under statute;

(2) requiring an individual, or anyone acting in behalf of the individual, to loan any money to the nursing facility;

(3) requiring an individual, or anyone acting in behalf of the individual, to promise to leave all or part of the individual's estate to the facility; or

(4) requiring a third-party guarantee of payment to the facility as a condition of admission, expedited admission, or continued stay in the facility.

Nothing in this paragraph would prohibit discharge for nonpayment of services in accordance with state and federal regulations.

(c) Requiring any resident of the nursing facility to utilize a vendor of health care services chosen by the nursing facility. A nursing facility may require a resident to use pharmacies that utilize unit dose packing systems approved by the Minnesota Board of Pharmacy, and may require a resident to use pharmacies that are able to meet the federal regulations for safe and timely administration of medications such as systems with specific number of doses, prompt delivery of medications, or access to medications on a 24-hour basis. Notwithstanding the provisions of this paragraph, nursing facilities shall not restrict a resident's choice of pharmacy because the pharmacy utilizes a specific system of unit dose drug packing.

(d) Providing differential treatment on the basis of status with regard to public assistance.

(e) Discriminating in admissions, services offered, or room assignment on the basis of status with regard to public assistance ~~or refusal to purchase special services~~. Discrimination in admissions, discrimination, services offered, or room assignment shall include, but is not limited to:

(1) basing admissions decisions upon ~~assurance by the applicant to the nursing facility, or the applicant's guardian or conservator, that the applicant is neither eligible for nor will seek information or assurances regarding current or future eligibility for public assistance for payment of nursing facility care costs; and~~

(2) engaging in preferential selection from waiting lists based on an applicant's ability to pay privately or an applicant's refusal to pay for a special service.

The collection and use by a nursing facility of financial information of any applicant pursuant to a preadmission screening program established by law shall not raise an inference that the nursing facility is utilizing that information for any purpose prohibited by this paragraph.

(f) Requiring any vendor of medical care as defined by section 256B.02, subdivision 7, who is reimbursed by medical assistance under a separate fee schedule, to pay any amount based on utilization or service levels or any portion of the vendor's fee to the nursing facility except as payment for renting or leasing space or equipment or purchasing support services from the nursing facility as limited by section 256B.433. All agreements must be disclosed to the commissioner upon request of the commissioner. Nursing facilities and vendors of ancillary services that are found to be in violation of this provision shall each be subject to an action by the state of Minnesota or any of its subdivisions or agencies for treble civil damages on the portion of the fee in excess of that allowed by this provision and section 256B.433. Damages awarded must include three times the excess payments together with costs and disbursements including reasonable attorney's fees or their equivalent.

(g) Refusing, for more than 24 hours, to accept a resident returning to the same bed or a bed certified for the same level of care, in accordance with a physician's order authorizing transfer, after receiving inpatient hospital services.

(h) For a period not to exceed 180 days, the commissioner may continue to make medical assistance payments to a nursing facility or boarding care home which is in violation of this section if extreme hardship to the residents would result. In these cases the commissioner shall issue an order requiring the nursing facility to correct the violation. The nursing facility shall have 20 days from its receipt of the order to correct the violation. If the violation is not corrected within the 20-day period the commissioner may reduce the payment rate to the nursing facility by up to 20 percent. The amount of the payment rate reduction shall be related to the severity of the violation and shall remain in effect until the violation is corrected. The nursing facility or boarding care home may appeal the commissioner's action pursuant to the provisions of chapter 14 pertaining to contested cases. An appeal shall be considered timely if written notice of appeal is received by the commissioner within 20 days of notice of the commissioner's proposed action.

In the event that the commissioner determines that a nursing facility is not eligible for reimbursement for a resident who is eligible for medical assistance, the commissioner may authorize the nursing facility to receive reimbursement on a temporary basis until the resident can be relocated to a participating nursing facility.

Certified beds in facilities which do not allow medical assistance intake on July 1, 1984, or after shall be deemed to be decertified for purposes of section 144A.071 only.

Sec. 42. Minnesota Statutes 2010, section 256B.49, is amended by adding a subdivision to read:

Subd. 10a. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Comprehensive transitional service plan" means a plan detailing specific measurable functional skills and timelines and additional systems of support for achieving the fundamental service outcome.

(c) "Functional milestone" means a functional skill attained through service outcomes that take the place of a provider funded service.

(d) "Fundamental service outcome" means the specific end objective for the service being provided.

(e) "Natural community supports" means relationships developed with friends, family, work places, neighborhoods, and organizations that are not reimbursed to provide supportive relationships that enhance the quality and security of individuals in their communities.

(f) "Short-term service outcome" means the measurable functional skill outcomes necessary to achieve the fundamental service outcome.

(g) "Transitional service planning team" means the individual receiving services; the case manager; service providers; the guardian, if applicable; and other identified individuals such as advocates, family members, and other natural supports who are able to commit to a plan of support, housing, and treatment that maximizes the individual's opportunity for success in transitioning to community living or the next level of care.

Sec. 43. Minnesota Statutes 2010, section 256B.49, subdivision 12, is amended to read:

Subd. 12. **Informed choice.** Persons who are determined likely to require the level of care provided in a nursing facility as determined under ~~sections 144.0724, subdivision 11, and section 256B.0911~~; or a hospital shall be informed of the home and community-based support alternatives to the provision of inpatient hospital services or nursing facility services. Each person must be given the choice of either institutional or home and community-based services using the provisions described in section 256B.77, subdivision 2, paragraph (p).

Sec. 44. Minnesota Statutes 2010, section 256B.49, subdivision 13, is amended to read:

Subd. 13. **Case management.** ~~(a)~~ Each recipient of a home and community-based waiver under this section shall be provided case management services according to section 256B.092, subdivisions 1a, 1b, and 1e, by qualified vendors as described in the federally approved waiver application. ~~The case management service activities provided will include:~~

- ~~(1) assessing the needs of the individual within 20 working days of a recipient's request;~~
 - ~~(2) developing the written individual service plan within ten working days after the assessment is completed;~~
 - ~~(3) informing the recipient or the recipient's legal guardian or conservator of service options;~~
 - ~~(4) assisting the recipient in the identification of potential service providers;~~
 - ~~(5) assisting the recipient to access services;~~
 - ~~(6) coordinating, evaluating, and monitoring of the services identified in the service plan;~~
 - ~~(7) completing the annual reviews of the service plan; and~~
 - ~~(8) informing the recipient or legal representative of the right to have assessments completed and service plans developed within specified time periods, and to appeal county action or inaction under section 256.045, subdivision 3, including the determination of nursing facility level of care.~~
- ~~(b) The case manager may delegate certain aspects of the case management service activities to another individual provided there is oversight by the case manager. The case manager may not delegate those aspects which require professional judgment including assessments, reassessments, and care plan development.~~

EFFECTIVE DATE. This section is effective January 1, 2012.

Sec. 45. Minnesota Statutes 2010, section 256B.49, subdivision 14, is amended to read:

Subd. 14. **Assessment and reassessment.** (a) Assessments of each recipient's strengths, informal support systems, and need for services shall be completed within 20 working days of the recipient's request as provided in section 256B.0911. Reassessment of each recipient's strengths, support systems, and need for services shall be conducted at least every 12 months and at other times when there has been a significant change in the recipient's functioning.

(b) There must be a determination that the client requires a hospital level of care or a nursing facility level of care as defined in section ~~144.0724, subdivision 11~~ 256B.0911, subdivision 4a, paragraph (d), at initial and subsequent assessments to initiate and maintain participation in the waiver program.

(c) Regardless of other assessments identified in section 144.0724, subdivision 4, as appropriate to determine nursing facility level of care for purposes of medical assistance payment for nursing facility services, only face-to-face assessments conducted according to section 256B.0911, subdivisions 3a, 3b, and 4d, that result in a hospital level of care determination or a nursing facility level of care determination must be accepted for purposes of initial and ongoing access to waiver services payment.

(d) Persons with developmental disabilities who apply for services under the nursing facility level waiver programs shall be screened for the appropriate level of care according to section 256B.092.

(e) Recipients who are found eligible for home and community-based services under this section before their 65th birthday may remain eligible for these services after their 65th birthday if they continue to meet all other eligibility factors.

(f) The commissioner shall develop criteria to identify individuals whose level of functioning is reasonably expected to improve and reassess these individuals every six months. Individuals who meet these criteria must have a comprehensive transitional service plan developed under subdivision 15, paragraphs (b) and (c). Counties, case managers, and service providers are responsible for conducting these reassessments and shall complete the reassessments out of existing funds.

EFFECTIVE DATE. This section is effective January 1, 2012.

Sec. 46. Minnesota Statutes 2010, section 256B.49, subdivision 15, is amended to read:

Subd. 15. **Individualized Coordinated service and support plan; comprehensive transitional service plan; maintenance service plan.** (a) Each recipient of home and community-based waived services shall be provided a copy of the written coordinated service and support plan which: that complies with the requirements of section 256B.092, subdivision 1b.

- ~~(1) is developed and signed by the recipient within ten working days of the completion of the assessment;~~
- ~~(2) meets the assessed needs of the recipient;~~
- ~~(3) reasonably ensures the health and safety of the recipient;~~
- ~~(4) promotes independence;~~
- ~~(5) allows for services to be provided in the most integrated settings; and~~
- ~~(6) provides for an informed choice, as defined in section 256B.77, subdivision 2, paragraph (p), of service and support providers.~~

(b) In developing the comprehensive transitional service plan, the individual receiving services, the case manager, and the guardian, if applicable, will identify the transitional service plan fundamental service outcome and anticipated timeline to achieve this outcome. Within the first 20 days following a recipient's request for an assessment or reassessment, the transitional service planning team must be identified. A team leader must be identified who will be responsible for assigning responsibility and communicating with team members to ensure implementation of the transition plan and ongoing assessment and communication process. The team leader should be an individual, such as the case manager or guardian, who has the opportunity to follow the individual to the next level of service.

Within ten days following an assessment, a comprehensive transitional service plan must be developed incorporating elements of a comprehensive functional assessment and including short-term measurable outcomes and timelines for achievement of and reporting on these outcomes. Functional milestones must also be identified and reported according to the timelines agreed upon by the transitional service planning team. In addition, the comprehensive transitional service plan must identify additional supports that may assist in the achievement of the fundamental service outcome such as the development of greater natural community support, increased collaboration among agencies, and technological supports.

The timelines for reporting on functional milestones will prompt a reassessment of services provided, the units of services, rates, and appropriate service providers. It is the responsibility of the transitional service planning team leader to review functional milestone reporting to determine if the milestones are consistent with observable skills and that milestone achievement prompts any needed changes to the comprehensive transitional service plan.

For those whose fundamental transitional service outcome involves the need to procure housing, a plan for the individual to seek the resources necessary to secure the least restrictive housing possible should be incorporated into the plan, including employment and public supports such as housing access and shelter needy funding.

(c) Counties and other agencies responsible for funding community placement and ongoing community supportive services are responsible for the implementation of the comprehensive transitional service plans. Oversight responsibilities include both ensuring effective transitional service delivery and efficient utilization of funding resources.

(d) Following one year of transitional services, the transitional services planning team will make a determination as to whether or not the individual receiving services requires the current level of continuous and consistent support in order to maintain the individual's current level of functioning. Individuals who move from a transitional to a maintenance service plan must be reassessed to determine if the individual would benefit from a transitional service plan on at least an annual basis. This assessment should consider any changes to technological or natural community supports.

~~(b)~~ (e) When a county is evaluating denials, reductions, or terminations of home and community-based services under section 256B.49 for an individual, the case manager shall offer to meet with the individual or the individual's guardian in order to discuss the prioritization of service needs within the individualized service plan, comprehensive transitional service plan, or maintenance service plan. The reduction in the authorized services for an individual due to changes in funding for waived services may not exceed the amount needed to ensure medically necessary services to meet the individual's health, safety, and welfare.

EFFECTIVE DATE. This section is effective January 1, 2012.

Sec. 47. Minnesota Statutes 2010, section 256B.5012, is amended by adding a subdivision to read:

Subd. 9. **ICF/MR rate increase.** Effective July 1, 2011, the commissioner shall increase the daily rate to \$138.23 at an intermediate care facility for the developmentally disabled located in Clearwater County and classified as a class A facility with 15 beds.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 48. Minnesota Statutes 2010, section 256B.5012, is amended by adding a subdivision to read:

Subd. 10. **ICF/MR rate adjustment.** For each facility reimbursed under this section, except for a facility located in Clearwater County and classified as a class A facility with 15 beds, the commissioner shall decrease operating payment rates equal to ...percent of the operating payment rates in effect on June 30, 2011. For each facility, the commissioner shall apply the rate reduction, based on occupied beds, using the percentage specified in this subdivision multiplied by the total payment rate, including the variable rate but excluding the property-related payment rate, in effect on the preceding date. The total rate reduction shall include the adjustment provided in section 256B.501, subdivision 12.

Sec. 49. Minnesota Statutes 2010, section 256G.02, subdivision 6, is amended to read:

Subd. 6. **Excluded time.** "Excluded time" means:

(a) any period an applicant spends in a hospital, sanitarium, nursing home, shelter other than an emergency shelter, halfway house, foster home, semi-independent living domicile or services program, residential facility offering care, board and lodging facility or other institution for the hospitalization or care of human beings, as defined in section 144.50, 144A.01, or 245A.02, subdivision 14; maternity home, battered women's shelter, or correctional facility; or any facility based on an emergency hold under sections 253B.05, subdivisions 1 and 2, and 253B.07, subdivision 6;

(b) any period an applicant spends on a placement basis in a training and habilitation program, including a rehabilitation facility or work or employment program as defined in section 268A.01; ~~or receiving personal care assistance services pursuant to section 256B.0659;~~ semi-independent living services provided under section 252.275, and Minnesota Rules, parts 9525.0500 to 9525.0660; day training and habilitation programs and assisted living services; and

(c) any placement for a person with an indeterminate commitment, including independent living.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 50. Laws 2009, chapter 79, article 8, section 4, the effective date, as amended by Laws 2010, First Special Session chapter 1, article 24, section 12, is amended to read:

EFFECTIVE DATE. ~~The~~ This section is effective ~~July 1, 2011~~ on or after January 1, 2014, for individuals age 21 and older, and on or after October 1, 2019, for individuals under age 21.

Sec. 51. Laws 2009, chapter 79, article 8, section 51, the effective date, as amended by Laws 2010, First Special Session chapter 1, article 17, section 14, is amended to read:

EFFECTIVE DATE. This section is effective ~~July 1, 2011~~ January 1, 2014.

Sec. 52. Laws 2009, chapter 79, article 13, section 3, subdivision 8, as amended by Laws 2009, chapter 173, article 2, section 1, subdivision 8, and Laws 2010, First Special Session chapter 1, article 15, section 5, and article 25, section 16, is amended to read:

Subd. 8. **Continuing Care Grants**

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

(a) Aging and Adult Services Grants	13,499,000	15,805,000
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Base Adjustment. The general fund base is increased by \$5,751,000 in fiscal year 2012 and \$6,705,000 in fiscal year 2013.

Information and Assistance Reimbursement. Federal administrative reimbursement obtained from information and assistance services provided by the Senior LinkAge or Disability Linkage lines to people who are identified as eligible for medical assistance shall be appropriated to the commissioner for this activity.

Community Service Development Grant Reduction. Funding for community service development grants must be reduced by \$260,000 for fiscal year 2010; \$284,000 in fiscal year 2011; \$43,000 in fiscal year 2012; and \$43,000 in fiscal year 2013. Base level funding shall be restored in fiscal year 2014.

Community Service Development Grant Community Initiative. Funding for community service development grants shall be used to offset the cost of aging support grants. Base level funding shall be restored in fiscal year 2014.

Senior Nutrition Use of Federal Funds. For fiscal year 2010, general fund grants for home-delivered meals and congregate dining shall be reduced by \$500,000. The commissioner must replace these general fund reductions with equal amounts from federal funding for senior nutrition from the American Recovery and Reinvestment Act of 2009.

(b) Alternative Care Grants	50,234,000	48,576,000
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Base Adjustment. The general fund base is decreased by \$3,598,000 in fiscal year 2012 and \$3,470,000 in fiscal year 2013.

Alternative Care Transfer. Any money allocated to the alternative care program that is not spent for the purposes indicated does not cancel but must be transferred to the medical assistance account.

(c) Medical Assistance Grants; Long-Term Care Facilities.	367,444,000	419,749,000
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(d) Medical Assistance Long-Term Care Waivers and Home Care Grants	853,567,000	1,039,517,000
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Manage Growth in TBI and CADI Waivers. During the fiscal years beginning on July 1, 2009, and July 1, 2010, the commissioner shall allocate money for home and community-based waiver programs under Minnesota Statutes, section 256B.49, to ensure a reduction in state spending that is equivalent to limiting the caseload growth of the TBI waiver to 12.5 allocations per month each year of the biennium and the CADI waiver to 95 allocations per month each year of the biennium. Limits do not apply: (1) when there is an approved plan for nursing facility bed closures for individuals under age 65 who require relocation due to the bed closure; (2) to fiscal year 2009 waiver allocations delayed due to unallotment; or (3) to transfers authorized by the commissioner from the personal care assistance program of individuals having a home care rating of "CS," "MT," or "HL." Priorities for the allocation of funds must be for individuals anticipated to be discharged from institutional settings or who are at imminent risk of a placement in an institutional setting.

Manage Growth in DD Waiver. The commissioner shall manage the growth in the DD waiver by limiting the allocations included in the February 2009 forecast to 15 additional diversion allocations each month for the calendar years that begin on January 1, 2010, and January 1, 2011. Additional allocations must be made available for transfers authorized by the commissioner from the personal care program of individuals having a home care rating of "CS," "MT," or "HL."

Adjustment to Lead Agency Waiver Allocations. Prior to the availability of the alternative license defined in Minnesota Statutes, section 245A.11, subdivision 8, the commissioner shall reduce lead agency waiver allocations for the purposes of implementing a moratorium on corporate foster care.

~~**Alternatives to Personal Care Assistance Services.** Base level funding of \$3,237,000 in fiscal year 2012 and \$4,856,000 in fiscal year 2013 is to implement alternative services to personal care assistance services for persons with mental health and other behavioral challenges who can benefit from other services that more appropriately meet their needs and assist them in living independently in the community. These services may include, but not be limited to, a 1915(i) state plan option.~~

(e) Mental Health Grants

Appropriations by Fund

General	77,739,000	77,739,000
Health Care Access	750,000	750,000
Lottery Prize	1,508,000	1,508,000

Funding Usage. Up to 75 percent of a fiscal year's appropriation for adult mental health grants may be used to fund allocations in that portion of the fiscal year ending December 31.

(f) Deaf and Hard-of-Hearing Grants 1,930,000 1,917,000

(g) Chemical Dependency Entitlement Grants 111,303,000 122,822,000

Payments for Substance Abuse Treatment. For placements beginning during fiscal years 2010 and 2011, county-negotiated rates and provider claims to the consolidated chemical dependency fund must not exceed the lesser of:

- (1) rates charged for these services on January 1, 2009; or
- (2) 160 percent of the average rate on January 1, 2009, for each group of vendors with similar attributes.

Rates for fiscal years 2010 and 2011 must not exceed 160 percent of the average rate on January 1, 2009, for each group of vendors with similar attributes.

Effective July 1, 2010, rates that were above the average rate on January 1, 2009, are reduced by five percent from the rates in effect on June 1, 2010. Rates below the average rate on January 1, 2009, are reduced by 1.8 percent from the rates in effect on June 1, 2010. Services provided under this section by state-operated services are

exempt from the rate reduction. For services provided in fiscal years 2012 and 2013, the statewide aggregate payment under the new rate methodology to be developed under Minnesota Statutes, section 254B.12, must not exceed the projected aggregate payment under the rates in effect for fiscal year 2011 excluding the rate reduction for rates that were below the average on January 1, 2009, plus a state share increase of \$3,787,000 for fiscal year 2012 and \$5,023,000 for fiscal year 2013. Notwithstanding any provision to the contrary in this article, this provision expires on June 30, 2013.

Chemical Dependency Special Revenue Account. For fiscal year 2010, \$750,000 must be transferred from the consolidated chemical dependency treatment fund administrative account and deposited into the general fund.

County CD Share of MA Costs for ARRA Compliance. Notwithstanding the provisions of Minnesota Statutes, chapter 254B, for chemical dependency services provided during the period October 1, 2008, to December 31, 2010, and reimbursed by medical assistance at the enhanced federal matching rate provided under the American Recovery and Reinvestment Act of 2009, the county share is 30 percent of the nonfederal share. This provision is effective the day following final enactment.

(h) Chemical Dependency Nonentitlement Grants	1,729,000	1,729,000
(i) Other Continuing Care Grants	19,201,000	17,528,000

Base Adjustment. The general fund base is increased by \$2,639,000 in fiscal year 2012 and increased by \$3,854,000 in fiscal year 2013.

Technology Grants. \$650,000 in fiscal year 2010 and \$1,000,000 in fiscal year 2011 are for technology grants, case consultation, evaluation, and consumer information grants related to developing and supporting alternatives to shift-staff foster care residential service models.

Other Continuing Care Grants; HIV Grants. Money appropriated for the HIV drug and insurance grant program in fiscal year 2010 may be used in either year of the biennium.

Quality Assurance Commission. Effective July 1, 2009, state funding for the quality assurance commission under Minnesota Statutes, section 256B.0951, is canceled.

Sec. 53. **DIRECTIONS TO COMMISSIONER.**

Subdivision 1. Community first choice option. (a) The commissioner shall provide information on all state-funded grants and medical assistance-funded services and programs which could be included in the community first choice option, including those in the continuing care and mental health and children's mental health divisions that provide assistance in a home or in the community for individuals in the eligibility categories described in paragraph (b). Recommendations on the grants and programs and the number of persons who use those grants and programs and would be eligible for home and community-based attendant services and supports and any changes to Minnesota Statutes or Minnesota Rules shall be provided to the legislative committees with jurisdiction over health and human services finance and policy by January 15, 2012.

(b) For individuals whose income is less than 150 percent of the federal poverty guidelines and who qualify for semi-independent living services under Minnesota Statutes, section 252.275, and epilepsy demonstration project funding, the commissioner shall assure an assessment under Minnesota Statutes, section 256B.0659, subdivision 3a, is completed by November 30, 2011, for home and community-based attendant services and supports.

Subd. 2. Co-payments for home and community-based services. Upon federal approval, the commissioner of human services shall develop and implement a co-payment schedule for individuals receiving home and community-based services under Minnesota Statutes, chapter 256B.

Subd. 3. Federal waiver amendment. The commissioner shall seek an amendment to the 1915c home and community-based waivers under Minnesota Statutes, sections 256B.092 and 256B.49, to allow properly licensed residential programs under Minnesota Statutes, section 245A.02, subdivision 14, to provide residential services to up to eight individuals with physical or developmental disabilities, chronic illnesses, or traumatic brain injuries.

Subd. 4. Recommendations for personal care assistance service changes. The commissioner shall consult with stakeholder groups, including counties, advocates, persons receiving personal care assistance services, and personal care assistance providers, and make recommendations to the legislature by February 1, 2012, on changes that could be made to the program to improve oversight, program efficiency, and cost-effectiveness.

Subd. 5. Nursing facility pay-for-performance reimbursement system. The commissioner of human services shall report to the legislative committees with jurisdiction over nursing facility policy and finance with recommendations for developing and implementing a pay-for-performance reimbursement system with a quality add-on by January 15, 2012.

Subd. 6. ICF/MR transition plan. The commissioner of human services shall work with stakeholders to develop and implement a plan by June 30, 2013, to transition individuals currently residing in intermediate care facilities for persons with developmental disabilities into the least restrictive community settings possible. The plan must include a requirement for a cooperative planning process between the counties and providers for the downsizing or closure of intermediate care facilities for persons with developmental disabilities, with funding from the bed closures converting to home and community-based waiver funding to fund services for those leaving the intermediate care facilities for persons with developmental disabilities based on a plan approved by the commissioner. In order to facilitate this process, the commissioner shall provide information to facilities and counties about the number of people in facilities who have requested to move to home and community-based services. Individuals residing in intermediate care facilities for persons with developmental disabilities who choose to remain there or whose health or safety would be put at risk in a less restrictive setting may continue to reside in intermediate care facilities for persons with developmental disabilities.

Sec. 54. **STATE PLAN AMENDMENT TO IMPLEMENT SELF-DIRECTED PERSONAL SUPPORTS.**

By July 15, 2011, the commissioner shall submit a state plan amendment to implement Minnesota Statutes, section 256B.0657, as soon as possible upon federal approval.

Sec. 55. **AMENDMENT FOR SELF-DIRECTED COMMUNITY SUPPORTS.**

By September 1, 2011, the commissioner shall submit an amendment to the home and community-based waiver programs consistent with implementing the self-directed option under Minnesota Statutes, section 256B.0657, through statewide enrolled providers contracted to provide outreach information, training, and fiscal support entity services to all eligible recipients choosing this option and with shared care in some types of services. The waiver amendment shall be consistent with changes in case management services under Minnesota Statutes, section 256B.092.

Sec. 56. **ESTABLISHMENT OF RATES FOR SHARED HOME AND COMMUNITY-BASED WAIVER SERVICES.**

By January 1, 2012, the commissioner shall establish rates to be paid for in-home services and personal supports under all of the home and community-based waiver services programs consistent with the standards in Minnesota Statutes, section 256B.4912, subdivision 2.

Sec. 57. **ESTABLISHMENT OF RATE FOR CASE MANAGEMENT SERVICES.**

By January 1, 2012, the commissioner shall establish the rate to be paid for case management services under Minnesota Statutes, sections 256B.092 and 256B.49, consistent with the standards in Minnesota Statutes, section 256B.4912, subdivision 2.

Sec. 58. **RECOMMENDATIONS FOR FURTHER CASE MANAGEMENT REDESIGN.**

By February 1, 2012, the commissioner of human services shall develop a legislative report with specific recommendations and language for proposed legislation to be effective July 1, 2012, for the following:

(1) definitions of service and consolidation of standards and rates to the extent appropriate for all types of medical assistance case management services, including targeted case management under Minnesota Statutes, sections 256B.0621; 256B.0625, subdivision 20; and 256B.0924; mental health case management services for children and adults, all types of home and community-based waiver case management, and case management under Minnesota Rules, parts 9525.0004 to 9525.0036. This work shall be completed in collaboration with efforts under Minnesota Statutes, section 256B.4912;

(2) recommendations on county of financial responsibility requirements and quality assurance measures for case management;

(3) identification of county administrative functions that may remain entwined in case management service delivery models; and

(4) implementation of a methodology to fully fund county case management administrative functions.

Sec. 59. **MY LIFE, MY CHOICES TASK FORCE.**

Subdivision 1. **Establishment.** The My Life, My Choices Task Force is established to create a system of supports and services for people with disabilities governed by the following principles:

(1) freedom to act as a consumer of services in the marketplace;

(2) freedom to choose to take as much risk as any other citizen;

(3) more choices in levels of service that may vary throughout life;

(4) opportunity to work with a trusted partner and fiscal support entity to manage a personal budget and to be accountable for reporting spending and personal outcomes;

(5) opportunity to live with minimal constraints instead of minimal freedoms; and

(6) ability to consolidate funding streams into an individualized budget.

Subd. 2. **Membership.** The My Life, My Choices Task Force shall consist of the lieutenant governor; the commissioner of human services, or designee; a representative of the Minnesota Chamber of Commerce; and the following to be appointed by the governor: one administrative law judge, one labor representative, two family members of people with disabilities, and one individual with disabilities. In addition, the following shall be appointed jointly by the speaker of the house and the senate Subcommittee on Committees of the Committee on Rules and Administration, a representative of a disability advocacy organization; a representative of a disability legal services advocacy organization; representatives of two nonprofit organizations, one of which serves all 87 counties; and a representative of a philanthropic organization. Appointed nongovernmental members of the task force shall serve as staff for the task force and take on the responsibilities of coordinating meetings, reporting on committee recommendations, and providing other staff support as needed to meet the responsibilities of the task force as described in subdivision 3. Legislative appointment of nongovernmental members of the task force shall be conditioned upon agreement from the appointees to provide staff assistance to execute the work of the task force. The chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance shall serve as ex officio members.

Subd. 3. **Duties.** The task force shall make recommendations, including proposed legislation, and report to the legislative committees with jurisdiction over health and human services policy and finance by November 15, 2011, on creating a system of supports and services for people with disabilities by July 1, 2012, as governed by the principles under subdivision 1. In making recommendations and proposed legislation, the council shall work in conjunction with the Consumer-Directed Community Supports Task Force and shall include self-directed planning, individual budgeting, choice of trusted partner, self-directed purchasing of services and supports, reporting of outcomes, ability to share in any savings, and any additional rules or laws that may need to be waived. Recommendations from the task force shall be fully implemented by July 1, 2013.

Subd. 4. **Expense reimbursement.** The members of the task force shall not be reimbursed for expenses related to the duties of the task force. The task force shall be independently staffed and coordinated by nongovernmental appointees who serve on the task force, and no state funding shall be appropriated for expenses related to the task force under this section.

Subd. 5. **Expiration.** The task force expires on July 1, 2013.

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

ARTICLE 8
REDESIGNING SERVICE DELIVERY

Section 1. Minnesota Statutes 2010, section 119B.09, is amended by adding a subdivision to read:

Subd. 4b. **Electronic verification.** County agencies are authorized to use all automated databases containing information regarding recipients' or applicants' income in order to determine eligibility for the child care assistance under this chapter. The information is sufficient to determine eligibility.

Sec. 2. Minnesota Statutes 2010, section 256.01, subdivision 14b, is amended to read:

Subd. 14b. **American Indian child welfare projects.** (a) The commissioner of human services may authorize projects to test tribal delivery of child welfare services to American Indian children and their parents and custodians living on the reservation. The commissioner has authority to solicit and determine which tribes may participate in a project. Grants may be issued to Minnesota Indian tribes to support the projects. The commissioner may waive existing state rules as needed to accomplish the projects. Notwithstanding section 626.556, the commissioner may authorize projects to use alternative methods of investigating and assessing reports of child maltreatment, provided that the projects comply with the provisions of section 626.556 dealing with the rights of individuals who are subjects of reports or investigations, including notice and appeal rights and data practices requirements. The commissioner may seek any federal approvals necessary to carry out the projects as well as seek and use any funds available to the commissioner, including use of federal funds, foundation funds, existing grant funds, and other funds. The commissioner is authorized to advance state funds as necessary to operate the projects. Federal reimbursement applicable to the projects is appropriated to the commissioner for the purposes of the projects. The projects must be required to address responsibility for safety, permanency, and well-being of children.

(b) For the purposes of this section, "American Indian child" means a person under 18 years of age who is a tribal member or eligible for membership in one of the tribes chosen for a project under this subdivision and who is residing on the reservation of that tribe.

(c) In order to qualify for an American Indian child welfare project, a tribe must:

- (1) be one of the existing tribes with reservation land in Minnesota;
- (2) have a tribal court with jurisdiction over child custody proceedings;
- (3) have a substantial number of children for whom determinations of maltreatment have occurred;
- (4) have capacity to respond to reports of abuse and neglect under section 626.556;
- (5) provide a wide range of services to families in need of child welfare services; and
- (6) have a tribal-state title IV-E agreement in effect.

(d) Grants awarded under this section may be used for the nonfederal costs of providing child welfare services to American Indian children on the tribe's reservation, including costs associated with:

- (1) assessment and prevention of child abuse and neglect;
- (2) family preservation;
- (3) facilitative, supportive, and reunification services;

(4) out-of-home placement for children removed from the home for child protective purposes; and

(5) other activities and services approved by the commissioner that further the goals of providing safety, permanency, and well-being of American Indian children.

(e) When a tribe has initiated a project and has been approved by the commissioner to assume child welfare responsibilities for American Indian children of that tribe under this section, the affected county social service agency is relieved of responsibility for responding to reports of abuse and neglect under section 626.556 for those children during the time within which the tribal project is in effect and funded. The commissioner shall work with tribes and affected counties to develop procedures for data collection, evaluation, and clarification of ongoing role and financial responsibilities of the county and tribe for child welfare services prior to initiation of the project. Children who have not been identified by the tribe as participating in the project shall remain the responsibility of the county. Nothing in this section shall alter responsibilities of the county for law enforcement or court services.

(f) Participating tribes may conduct children's mental health screenings under section 245.4874, subdivision 1, paragraph (a), clause (14), for children who are eligible for the initiative and living on the reservation and who meet one of the following criteria:

- (1) the child must be receiving child protective services;
- (2) the child must be in foster care; or
- (3) the child's parents must have had parental rights suspended or terminated.

Tribes may access reimbursement from available state funds for conducting the screenings. Nothing in this section shall alter responsibilities of the county for providing services under section 245.487.

(g) Participating tribes may establish a local child mortality review panel. In establishing a local child mortality review panel, the tribe agrees to conduct local child mortality reviews for child deaths or near-fatalities occurring on the reservation under subdivision 12. Tribes with established child mortality review panels shall have access to nonpublic data and shall protect nonpublic data under subdivision 12, paragraphs (c) to (e). The tribe shall provide written notice to the commissioner and affected counties when a local child mortality review panel has been established and shall provide data upon request of the commissioner for purposes of sharing nonpublic data with members of the state child mortality review panel in connection to an individual case.

(h) The commissioner shall collect information on outcomes relating to child safety, permanency, and well-being of American Indian children who are served in the projects. Participating tribes must provide information to the state in a format and completeness deemed acceptable by the state to meet state and federal reporting requirements.

(i) The commissioner may authorize a project to test the provision of child welfare services by the White Earth Band of Ojibwe Indians to White Earth member children who reside in Hennepin County. This project will be subject to all provisions of this subdivision. Hennepin County shall transfer to the tribe the proportion of property taxes collected and used to fund child welfare services received by White Earth member children when the tribe assumes responsibility for providing child welfare services.

Sec. 3. Minnesota Statutes 2010, section 256.01, is amended by adding a subdivision to read:

Subd. 14c. American Indian child welfare, social, and human services project; White Earth Band of Ojibwe. (a) The commissioner of human services shall enter into a contractual agreement as authorized under subdivision 2, paragraph (a), clause (7), with the White Earth Band of Ojibwe Indians for the tribe to provide all human services and public assistance programs that are under the supervision of the commissioner to tribal members

who reside on the reservation. Grants may be issued to the White Earth Band of Ojibwe Indians to support the project. The commissioner may waive existing rules to support this project. The commissioner shall seek any federal approvals necessary to carry out the project as well as seek and use any funds available to the commissioner, including use of federal funds, foundation funds, existing grant funds, and other funds. The commissioner is authorized to advance state funds as necessary to operate the projects. Federal reimbursement applicable to the projects is appropriated to the commissioner for purposes of the project.

(b) The commissioner shall redirect all funds provided to Mahnomen County for these services, including administrative expenses, to the White Earth Band of Ojibwe Indians.

(c) The commissioner, in consultation with the tribe, is authorized to determine: (1) which programs not currently provided by the White Earth Band of Ojibwe Indians will be transferred to the tribe; and (2) the process by which the new programs will be transferred. In the case of a dispute, a two-thirds vote of the tribal council to transfer a program to the tribe must overrule the decision of the commissioner.

(d) When the commissioner approves transfer of programs and the tribe assumes responsibility under this section, Mahnomen County is relieved of responsibility for providing program services to tribal members who live on the reservation while the tribal project is in effect and funded. Mahnomen County shall transfer to the tribe the proportion of property taxes allocated for funding of the county social services that are assumed by the tribe.

(e) The tribe shall comply with all reporting and record keeping requirements under state and federal laws and rules.

Sec. 4. [256.0145] COMPUTER SYSTEM SIMPLIFICATION.

Subdivision 1. **Reprogram MAXIS.** The commissioner of human services, as part of the enterprise architecture project, shall reprogram the MAXIS computer system to automatically apply child support payments entered into the PRISM computer system to a MAXIS case file.

Subd. 2. **Program the social service information system.** The commissioner of human services shall require all prepaid health plans to accept a billing format identical to the MMIS billing format for payment to county agencies for mental health targeted case management claims, elderly waiver claims, and other claim categories as added to the benefit set. The commissioner shall make any necessary changes to the SSIS system to bill prepaid health plans for those claims.

Sec. 5. [256.0147] COUNTY ELECTRONIC VERIFICATION TO DETERMINE ELIGIBILITY.

County agencies are authorized to use all automated databases containing information regarding recipients' or applicants' income in order to determine eligibility for child support enforcement, general assistance, Minnesota supplemental aid, and programs, services, and supports under chapter 256J. The information is sufficient to determine eligibility. State and county caseworkers shall not be cited in error, as part of any audit and quality review, for an incorrect eligibility determination based on current but inaccurate information received through a state-approved electronic data source. If there is a potential error, the reviewer must forward a corrective action notice to the caseworker for proper and immediate correction. If the state or county caseworker has data available through client reporting, or other means, that are more accurate than state-approved electronic data, the caseworker should use the more accurate information in making the eligibility determination.

Sec. 6. Minnesota Statutes 2010, section 256.045, subdivision 4a, is amended to read:

Subd. 4a. **Case management appeals.** (a) Any recipient of case management services pursuant to section 256B.0625 or 256B.092, or personal care assistance services under section 256B.0625, who contests the county agency's action, reduction, suspension, denial, or termination of services, or failure to act in the provision of those

services, other than a failure to act with reasonable promptness or a suspension, reduction, denial, or termination of services, must submit a written request for a ~~conciliation~~ an informal conference with the recipient's case worker and the county social service director or designee to the county agency. The county agency shall inform the commissioner of the receipt of a request when it is submitted and shall schedule a ~~conciliation~~ conference within ten days of receipt of the recipient's written request. The county agency shall notify the recipient, the commissioner, and all interested persons of the time, date, and location of the ~~conciliation~~ conference. ~~The commissioner may assist the county by providing mediation services or by identifying other resources that may assist in the mediation between the parties.~~ Within 30 15 days of the conference, the county agency shall conduct the conciliation conference and inform the recipient in writing of the action the county agency is going to take and when that action will be taken and notify the recipient of the right to a hearing under this subdivision. The conciliation conference shall be conducted in a manner consistent with the commissioner's instructions.

(b) If the county fails to conduct the ~~conciliation~~ conference and issue its report within ~~30~~ 15 days, or, at any time up to 90 days after the ~~conciliation~~ conference is held, a recipient may submit to the commissioner a written request for a hearing before a state human services referee to determine whether case management services have been provided in accordance with applicable laws and rules or whether the county agency has assured that the services identified in the recipient's individual service plan have been delivered in accordance with the laws and rules governing the provision of those services. The state human services referee shall recommend an order to the commissioner, who shall, in accordance with the procedure in subdivision 5, issue a final order within 60 days of the receipt of the request for a hearing, unless the commissioner refuses to accept the recommended order, in which event a final order shall issue within 90 days of the receipt of that request. The order may direct the county agency to take those actions necessary to comply with applicable laws or rules. The commissioner may issue a temporary order prohibiting the demission of a recipient of case management services from a residential or day habilitation program licensed under chapter 245A, while a county agency review process or an appeal brought by a recipient under this subdivision is pending, or for the period of time necessary for the county agency to implement the commissioner's order. The commissioner shall not issue a final order staying the demission of a recipient of case management services from a residential or day habilitation program licensed under chapter 245A.

(c) Any recipient of case management services under section 256B.0625 or 256B.092, or personal care assistance services under section 256B.0625, must be informed in writing at the time of application and at the time of any change in services of the recipient's right to submit a written request to the county agency for an informal conference with the case manager and the county social services director.

Sec. 7. Minnesota Statutes 2010, section 256B.69, is amended by adding a subdivision to read:

Subd. 30. **Provision of required materials in alternative formats.** (a) For the purposes of this subdivision, "alternative format" means a medium other than paper and "prepaid health plan" means managed care plans and county-based purchasing plans.

(b) A prepaid health plan may provide in an alternative format a provider directory and certificate of coverage, or materials otherwise required to be available in writing under Code of Federal Regulations, title 42, section 438.10, or under the commissioner's contract with the prepaid health plan, if the following conditions are met:

(1) the prepaid health plan, local agency, or commissioner, as applicable, informs the enrollee that:

(i) provision in an alternative format is available and the enrollee affirmatively requests of the prepaid health plan that the provider directory, certificate of coverage, or materials otherwise required under Code of Federal Regulations, title 42, section 438.10, or under the commissioner's contract with the prepaid health plan be provided in an alternative format; and

(ii) a record of the enrollee request is retained by the prepaid health plan in the form of written direction from the enrollee or a documented telephone call followed by a confirmation letter to the enrollee from the prepaid health plan that explains that the enrollee may change the request at any time;

(2) the materials are sent to a secured mailbox and are made available at a password-protected secured Web site or on a data storage device if the materials contain enrollee data that is individually identifiable;

(3) the enrollee is provided a customer service number on the enrollee's membership card that may be called to request a paper version of the materials provided in an alternative format; and

(4) the materials provided in an alternative format meet all other requirements of the commissioner regarding content, size of typeface, and any required time frames for distribution. "Required time frames for distribution" must permit sufficient time for prepaid health plans to distribute materials in alternative formats upon receipt of enrollees' requests for the materials.

(c) A prepaid health plan may provide in an alternative format its primary care network list to the commissioner and to local agencies within its service area. The commissioner or local agency, as applicable, shall inform a potential enrollee of the availability of a prepaid health plan's primary care network list in an alternative format. If the potential enrollee requests an alternative format of the prepaid health plan's primary care network list, a record of that request shall be retained by the commissioner or local agency. The potential enrollee is permitted to withdraw the request at any time.

The prepaid health plan shall submit sufficient paper versions of the primary care network list to the commissioner and to local agencies within its service area to accommodate potential enrollee requests for paper versions of the primary care network list.

(d) A prepaid health plan may provide in an alternative format materials otherwise required to be available in writing under Code of Federal Regulations, title 42, section 438.10, or under the commissioner's contract with the prepaid health plan, if the conditions of paragraphs (b), (c), and (e), are met for persons who are:

(1) enrolled in integrated Medicare and Medicaid programs under subdivisions 23 and 28;

(2) enrolled in managed care long-term care programs under subdivision 6b;

(3) dually eligible for Medicare and medical assistance; or

(4) in the waiting period for Medicare.

(e) The commissioner shall seek any federal Medicaid waivers within 90 days after the effective date of this subdivision that are necessary to provide alternative formats of required material to enrollees of prepaid health plans as authorized under this subdivision.

(f) The commissioner shall consult with managed care plans, county-based purchasing plans, counties, and other interested parties to determine how materials required to be made available to enrollees under Code of Federal Regulations, title 42, section 438.10, or under the commissioner's contract with a prepaid health plan may be provided in an alternative format on the basis that the enrollee has not opted in to receive the alternative format. The commissioner shall consult with managed care plans, county-based purchasing plans, counties, and other interested parties to develop recommendations relating to the conditions that must be met for an opt-out process to be granted.

Sec. 8. Minnesota Statutes 2010, section 256D.09, subdivision 6, is amended to read:

Subd. 6. **Recovery of overpayments.** (a) If an amount of general assistance or family general assistance is paid to a recipient in excess of the payment due, it shall be recoverable by the county agency. The agency shall give written notice to the recipient of its intention to recover the overpayment.

(b) Except as provided for interim assistance in section 256D.06, subdivision 5, when an overpayment occurs, the county agency shall recover the overpayment from a current recipient by reducing the amount of aid payable to the assistance unit of which the recipient is a member, for one or more monthly assistance payments, until the overpayment is repaid. All county agencies in the state shall reduce the assistance payment by three percent of the assistance unit's standard of need in nonfraud cases and ten percent where fraud has occurred, or the amount of the monthly payment, whichever is less, for all overpayments.

(c) In cases when there is both an overpayment and underpayment, the county agency shall offset one against the other in correcting the payment.

(d) Overpayments may also be voluntarily repaid, in part or in full, by the individual, in addition to the aid reductions provided in this subdivision, to include further voluntary reductions in the grant level agreed to in writing by the individual, until the total amount of the overpayment is repaid.

(e) The county agency shall make reasonable efforts to recover overpayments to persons no longer on assistance under standards adopted in rule by the commissioner of human services. The county agency need not attempt to recover overpayments of less than \$35 paid to an individual no longer on assistance if the individual does not receive assistance again within three years, unless the individual has been convicted of violating section 256.98.

(f) Establishment of an overpayment is limited to 12 months prior to the month of discovery due to agency error and six years prior to the month of discovery due to client error or an intentional program violation determined under section 256.046.

Sec. 9. Minnesota Statutes 2010, section 256D.49, subdivision 3, is amended to read:

Subd. 3. **Overpayment of monthly grants and recovery of ATM errors.** (a) When the county agency determines that an overpayment of the recipient's monthly payment of Minnesota supplemental aid has occurred, it shall issue a notice of overpayment to the recipient. If the person is no longer receiving Minnesota supplemental aid, the county agency may request voluntary repayment or pursue civil recovery. If the person is receiving Minnesota supplemental aid, the county agency shall recover the overpayment by withholding an amount equal to three percent of the standard of assistance for the recipient or the total amount of the monthly grant, whichever is less.

(b) Establishment of an overpayment is limited to 12 months from the date of discovery due to agency error and six years prior to the month of discovery due to client error or an intentional program violation determined under section 256.046.

(c) For recipients receiving benefits via electronic benefit transfer, if the overpayment is a result of an automated teller machine (ATM) dispensing funds in error to the recipient, the agency may recover the ATM error by immediately withdrawing funds from the recipient's electronic benefit transfer account, up to the amount of the error.

(d) Residents of nursing homes, regional treatment centers, and licensed residential facilities with negotiated rates shall not have overpayments recovered from their personal needs allowance.

Sec. 10. Minnesota Statutes 2010, section 256J.38, subdivision 1, is amended to read:

Subdivision 1. **Scope of overpayment.** (a) When a participant or former participant receives an overpayment due to agency, client, or ATM error, or due to assistance received while an appeal is pending and the participant or former participant is determined ineligible for assistance or for less assistance than was received, the county agency must recoup or recover the overpayment using the following methods:

- (1) reconstruct each affected budget month and corresponding payment month;
- (2) use the policies and procedures that were in effect for the payment month; and

(3) do not allow employment disregards in section 256J.21, subdivision 3 or 4, in the calculation of the overpayment when the unit has not reported within two calendar months following the end of the month in which the income was received.

(b) Establishment of an overpayment is limited to 12 months prior to the month of discovery due to agency error and six years prior to the month of discovery due to client error or an intentional program violation determined under section 256.046.

Sec. 11. Minnesota Statutes 2010, section 393.07, subdivision 10, is amended to read:

Subd. 10. **Food stamp program; Maternal and Child Nutrition Act.** (a) The local social services agency shall establish and administer the food stamp program according to rules of the commissioner of human services, the supervision of the commissioner as specified in section 256.01, and all federal laws and regulations. The commissioner of human services shall monitor food stamp program delivery on an ongoing basis to ensure that each county complies with federal laws and regulations. Program requirements to be monitored include, but are not limited to, number of applications, number of approvals, number of cases pending, length of time required to process each application and deliver benefits, number of applicants eligible for expedited issuance, length of time required to process and deliver expedited issuance, number of terminations and reasons for terminations, client profiles by age, household composition and income level and sources, and the use of phone certification and home visits. The commissioner shall determine the county-by-county and statewide participation rate.

(b) On July 1 of each year, the commissioner of human services shall determine a statewide and county-by-county food stamp program participation rate. The commissioner may designate a different agency to administer the food stamp program in a county if the agency administering the program fails to increase the food stamp program participation rate among families or eligible individuals, or comply with all federal laws and regulations governing the food stamp program. The commissioner shall review agency performance annually to determine compliance with this paragraph.

(c) A person who commits any of the following acts has violated section 256.98 or 609.821, or both, and is subject to both the criminal and civil penalties provided under those sections:

(1) obtains or attempts to obtain, or aids or abets any person to obtain by means of a willful statement or misrepresentation, or intentional concealment of a material fact, food stamps or vouchers issued according to sections 145.891 to 145.897 to which the person is not entitled or in an amount greater than that to which that person is entitled or which specify nutritional supplements to which that person is not entitled; or

(2) presents or causes to be presented, coupons or vouchers issued according to sections 145.891 to 145.897 for payment or redemption knowing them to have been received, transferred or used in a manner contrary to existing state or federal law; or

(3) willfully uses, possesses, or transfers food stamp coupons, authorization to purchase cards or vouchers issued according to sections 145.891 to 145.897 in any manner contrary to existing state or federal law, rules, or regulations; or

(4) buys or sells food stamp coupons, authorization to purchase cards, other assistance transaction devices, vouchers issued according to sections 145.891 to 145.897, or any food obtained through the redemption of vouchers issued according to sections 145.891 to 145.897 for cash or consideration other than eligible food.

(d) A peace officer or welfare fraud investigator may confiscate food stamps, authorization to purchase cards, or other assistance transaction devices found in the possession of any person who is neither a recipient of the food stamp program nor otherwise authorized to possess and use such materials. Confiscated property shall be disposed of as the commissioner may direct and consistent with state and federal food stamp law. The confiscated property must be retained for a period of not less than 30 days to allow any affected person to appeal the confiscation under section 256.045.

~~(e) Food stamp overpayment claims which are due in whole or in part to client error shall be established by the county agency for a period of six years from the date of any resultant overpayment~~ Establishment of an overpayment is limited to 12 months prior to the month of discovery due to agency error and six years prior to the month of discovery due to client error or an intentional program violation determined under section 256.046.

(f) With regard to the federal tax revenue offset program only, recovery incentives authorized by the federal food and consumer service shall be retained at the rate of 50 percent by the state agency and 50 percent by the certifying county agency.

(g) A peace officer, welfare fraud investigator, federal law enforcement official, or the commissioner of health may confiscate vouchers found in the possession of any person who is neither issued vouchers under sections 145.891 to 145.897, nor otherwise authorized to possess and use such vouchers. Confiscated property shall be disposed of as the commissioner of health may direct and consistent with state and federal law. The confiscated property must be retained for a period of not less than 30 days.

(h) The commissioner of human services may seek a waiver from the United States Department of Agriculture to allow the state to specify foods that may and may not be purchased in Minnesota with benefits funded by the federal Food Stamp Program. The commissioner shall consult with the members of the house of representatives and senate policy committees having jurisdiction over food support issues in developing the waiver. The commissioner, in consultation with the commissioners of health and education, shall develop a broad public health policy related to improved nutrition and health status. The commissioner must seek legislative approval prior to implementing the waiver.

Sec. 12. Minnesota Statutes 2010, section 402A.10, subdivision 4, is amended to read:

Subd. 4. **Essential human services or essential services.** "Essential human services" or "essential services" means assistance and services to recipients or potential recipients of public welfare and other services delivered by counties or tribes that are mandated in federal and state law that are to be available in all counties of the state.

Sec. 13. Minnesota Statutes 2010, section 402A.10, subdivision 5, is amended to read:

Subd. 5. **Service delivery authority.** "Service delivery authority" means a single county, or ~~group~~ consortium of counties operating by execution of a joint powers agreement under section 471.59 or other contractual agreement, that has voluntarily chosen by resolution of the county board of commissioners to participate in the redesign under this chapter or has been assigned by the commissioner pursuant to section 402A.18. A service delivery authority includes an Indian tribe or group of tribes that have voluntarily chosen by resolution of tribal government to participate in redesign under this chapter.

Sec. 14. Minnesota Statutes 2010, section 402A.15, is amended to read:

402A.15 STEERING COMMITTEE ON PERFORMANCE AND OUTCOME REFORMS.

Subdivision 1. **Duties.** (a) The Steering Committee on Performance and Outcome Reforms shall develop a uniform process to establish and review performance and outcome standards for all essential human services based on the current level of resources available, and ~~to~~ shall develop appropriate reporting measures and a uniform accountability process for responding to a county's or ~~human~~ service delivery authority's failure to make adequate progress on achieving performance measures. The accountability process shall focus on the performance measures rather than inflexible implementation requirements.

(b) The steering committee shall:

(1) by November 1, 2009, establish an agreed-upon list of essential services;

(2) by February 15, 2010, develop and recommend to the legislature a uniform, graduated process, in addition to the remedies identified in section 402A.18, for responding to a county's failure to make adequate progress on achieving performance measures; and

(3) by December 15, 2012, for each essential service, make recommendations to the legislature regarding ~~(1)~~ (i) performance measures and goals based on those measures for each essential service, ~~(2)~~ and (ii) a system for reporting on the performance measures and goals, ~~and (3) appropriate resources, including funding, needed to achieve those performance measures and goals. The resource recommendations shall take into consideration program demand and the unique differences of local areas in geography and the populations served. Priority shall be given to services with the greatest variation in availability and greatest administrative demands.~~ By January 15 of each year starting January 15, 2011, the steering committee shall report its recommendations to the governor and legislative committees with jurisdiction over health and human services. As part of its report, the steering committee shall, as appropriate, recommend statutory provisions, rules and requirements, and reports that should be repealed or eliminated.

(c) As far as possible, the performance measures, reporting system, and funding shall be consistent across program areas. The development of performance measures shall consider the manner in which data will be collected and performance will be reported. The steering committee shall consider state and local administrative costs related to collecting data and reporting outcomes when developing performance measures. ~~The steering committee shall correlate the performance measures and goals to available levels of resources, including state and local funding. The steering committee shall also identify and incorporate federal performance measures in its recommendations for those program areas where federal funding is contingent on meeting federal performance standards.~~ The steering committee shall take into consideration that the goal of implementing changes to program monitoring and reporting the progress toward achieving outcomes is to significantly minimize the cost of administrative requirements and to allow funds freed by reduced administrative expenditures to be used to provide additional services, allow flexibility in service design and management, and focus energies on achieving program and client outcomes.

(d) In making its recommendations, the steering committee shall consider input from the council established in section 402A.20. ~~The steering committee shall review the measurable goals established in a memorandum of understanding entered into under section 402A.30, subdivision 2, paragraph (b), and consider whether they may be applied as statewide performance outcomes.~~

(e) The steering committee shall form work groups that include persons who provide or receive essential services and representatives of organizations who advocate on behalf of those persons.

(f) By December 15, 2009, the steering committee shall establish a three-year schedule for completion of its work. The schedule shall be published on the Department of Human Services Web site and reported to the legislative committees with jurisdiction over health and human services. In addition, the commissioner shall post quarterly updates on the progress of the steering committee on the Department of Human Services Web site.

Subd. 2. **Composition.** (a) The steering committee shall include:

- (1) the commissioner of human services, or designee, and two additional representatives of the department;
- (2) two county commissioners, representative of rural and urban counties, selected by the Association of Minnesota Counties;
- (3) two county directors of human services, representative of rural and urban counties, selected by the Minnesota Association of County Social Service Administrators; and
- (4) three clients or client advocates representing different populations receiving services from the Department of Human Services, who are appointed by the commissioner.

(b) The commissioner, or designee, and a county commissioner shall serve as cochairs of the committee. The committee shall be convened within 60 days of May 15, 2009.

(c) State agency staff shall serve as informational resources and staff to the steering committee. Statewide county associations may assemble county program data as required.

~~(d) To promote information sharing and coordination between the steering committee and council, one of the county representatives from paragraph (a), clause (2), and one of the county representatives from paragraph (a), clause (3), must also serve as a representative on the council under section 402A.20, subdivision 1, paragraph (b), clause (5) or (6).~~

Sec. 15. Minnesota Statutes 2010, section 402A.18, is amended to read:

402A.18 COMMISSIONER POWER TO REMEDY FAILURE TO MEET PERFORMANCE OUTCOMES.

Subdivision 1. **Underperforming county; specific service.** If the commissioner determines that a county or service delivery authority is deficient in achieving minimum performance outcomes for a specific essential service, the commissioner may impose the following remedies and adjust state and federal program allocations accordingly:

- (1) voluntary incorporation of the administration and operation of the specific essential service with an existing service delivery authority or another county. A service delivery authority or county incorporating an underperforming county shall not be financially liable for the costs associated with remedying performance outcome deficiencies;
- (2) mandatory incorporation of the administration and operation of the specific essential service with an existing service delivery authority or another county. A service delivery authority or county incorporating an underperforming county shall not be financially liable for the costs associated with remedying performance outcome deficiencies; or
- (3) transfer of authority for program administration and operation of the specific essential service to the commissioner.

Subd. 2. **Underperforming county; more than one-half of service services.** If the commissioner determines that a county or service delivery authority is deficient in achieving minimum performance outcomes for more than one-half of the defined essential service services, the commissioner may impose the following remedies:

(1) voluntary incorporation of the administration and operation of ~~the specific~~ essential service services with an existing service delivery authority or another county. A service delivery authority or county incorporating an underperforming county shall not be financially liable for the costs associated with remedying performance outcome deficiencies;

(2) mandatory incorporation of the administration and operation of ~~the specific~~ essential service services with an existing service delivery authority or another county. A service delivery authority or county incorporating an underperforming county shall not be financially liable for the costs associated with remedying performance outcome deficiencies; or

(3) transfer of authority for program administration and operation of ~~the specific~~ essential service services to the commissioner.

Subd. 2a. **Financial responsibility of underperforming county.** A county subject to remedies under subdivision 1 or 2 shall provide to the entity assuming administration of the essential service or essential services the amount of nonfederal and nonstate funding needed to remedy performance outcome deficiencies.

Subd. 3. **Conditions prior to imposing remedies.** Before the commissioner may impose the remedies authorized under this section, the following conditions must be met:

(1) the county or service delivery authority determined by the commissioner to be deficient in achieving minimum performance outcomes has the opportunity, in coordination with the council, to develop a program outcome improvement plan. The program outcome improvement plan must be developed no later than six months from the date of the deficiency determination; and

(2) the council has conducted an assessment of the program outcome improvement plan to determine if the county or service delivery authority has made satisfactory progress toward performance outcomes and has made a recommendation about remedies to the commissioner. The ~~review~~ assessment and recommendation must be made to the commissioner within 12 months from the date of the deficiency determination.

Sec. 16. Minnesota Statutes 2010, section 402A.20, is amended to read:

402A.20 COUNCIL.

Subdivision 1. **Council.** (a) The State-County Results, Accountability, and Service Delivery Redesign Council is established. Appointed council members must be appointed by their respective agencies, associations, or governmental units by November 1, 2009. The council shall be cochaired by the commissioner of human services, or designee, and a county representative from paragraph (b), clause (4) or (5), appointed by the Association of Minnesota Counties. Recommendations of the council must be approved by a majority of the voting council members. The provisions of section 15.059 do not apply to this council, and this council does not expire.

(b) The council must consist of the following members:

(1) two legislators appointed by the speaker of the house, one from the minority and one from the majority;

(2) two legislators appointed by the Senate Rules Committee, one from the majority and one from the minority;

- (3) the commissioner of human services, or designee, and three employees from the department;
- (4) two county commissioners appointed by the Association of Minnesota Counties;
- (5) two county representatives appointed by the Minnesota Association of County Social Service Administrators;
- (6) one representative appointed by AFSCME as a nonvoting member; and
- (7) one representative appointed by the Teamsters as a nonvoting member.

(c) Administrative support to the council may be provided by the Association of Minnesota Counties and affiliates.

(d) Member agencies and associations are responsible for initial and subsequent appointments to the council.

Subd. 2. **Council duties.** The council shall:

(1) provide review of the service delivery redesign process, including proposed memoranda of understanding to establish a service delivery authority to conduct and administer experimental projects to test new methods and procedures of delivering services;

~~(2) certify, in accordance with section 402A.30, subdivision 4, the formation of a service delivery authority, including the memorandum of understanding in section 402A.30, subdivision 2, paragraph (b);~~

~~(3) ensure the consistency of the memorandum of understanding entered into under section 402A.30, subdivision 2, paragraph (b), with the performance standards recommended by the steering committee and enacted by the legislature;~~

~~(4) (2) ensure the consistency of the memorandum of understanding, to the extent appropriate, ~~or~~ with other memorandum of understanding entered into by other service delivery authorities;~~

~~(3) review and make recommendations on applications from a service delivery authority for waivers of statutory or rule program requirements that are needed for flexibility to determine the most cost-effective means of achieving specified measurable goals in a redesign of human services delivery;~~

~~(5) (4) establish a process to take public input on the service delivery framework specified in the memorandum of understanding in section 402A.30, subdivision 2, paragraph (b) scope of essential services over which a service delivery authority has jurisdiction;~~

~~(6) (5) form work groups as necessary to carry out the duties of the council under the redesign;~~

~~(7) (6) serve as a forum for resolving conflicts among participating counties and tribes or between participating counties or tribes and the commissioner of human services, provided nothing in this section is intended to create a formal binding legal process;~~

~~(8) (7) engage in the program improvement process established in section 402A.18, subdivision 3; and~~

~~(9) (8) identify and recommend incentives for counties and tribes to participate in ~~human services~~ service delivery authorities.~~

Subd. 3. **Program evaluation.** By December 15, 2014, the council shall request consideration by the legislative auditor for a reevaluation under section 3.971, subdivision 7, of those aspects of the program evaluation of human services administration reported in January 2007 affected by this chapter.

Sec. 17. **[402A.35] DESIGNATION OF SERVICE DELIVERY AUTHORITY.**

Subdivision 1. **Requirements for establishing a service delivery authority.** (a) A county, tribe, or consortium of counties is eligible to establish a service delivery authority if:

(1) the county, tribe, or consortium of counties is:

(i) a single county with a population of 55,000 or more;

(ii) a consortium of counties with a total combined population of 55,000 or more;

(iii) a consortium of four or more counties in reasonable geographic proximity without regard to population; or

(iv) one or more tribes with a total combined population of 25,000 or more.

The council may recommend that the commissioner of human services exempt a single county, tribe, or consortium of counties from the minimum population standard if the county, tribe, or consortium of counties can demonstrate that it can otherwise meet the requirements of this chapter.

(b) A service delivery authority shall:

(1) comply with current state and federal law, including any existing federal or state performance measures and performance measures under section 402A.15 when they are enacted into law, except where waivers are approved by the commissioner. Nothing in this subdivision requires the establishment of performance measures under section 402A.15 prior to a service delivery authority participating in the service delivery redesign under this chapter;

(2) define the scope of essential services over which the service delivery authority has jurisdiction;

(3) designate a single administrative structure to oversee the delivery of those services included in a proposal for a redesigned service or services and identify a single administrative agent for purposes of contact and communication with the department;

(4) identify the waivers from statutory or rule program requirements that are needed to ensure greater local control and flexibility to determine the most cost-effective means of achieving specified measurable goals that the participating service delivery authority is expected to achieve;

(5) set forth a reasonable level of targeted reductions in overhead and administrative costs for each service delivery authority participating in the service delivery redesign; and

(6) set forth the terms under which a county, tribe, or consortium of counties may withdraw from participation.

(c) Once a county, tribe, or consortium of counties establishes a service delivery authority, no county, tribe, or consortium of counties that is a member of the service delivery authority may participate as a member of any other service delivery authority. The service delivery authority may allow an additional county, a tribe, or a consortium of counties to join the service delivery authority subject to the approval of the council and the commissioner.

(d) Nothing in this chapter precludes local governments from using sections 465.81 and 465.82 to establish procedures for local governments to merge, with the consent of the voters. Nothing in this chapter limits the authority of a county board or tribal council to enter into contractual agreements for services not covered by the provisions of a memorandum of understanding establishing a service delivery authority with other agencies or with other units of government.

Subd. 2. Relief from statutory requirements. (a) Unless otherwise identified in the memorandum of understanding, any county, tribe, or consortium of counties forming a service delivery authority is exempt from the provisions of sections 245.465; 245.4835; 245.4874; 245.492, subdivision 2; 245.4932; 256F.13; 256J.626, subdivision 2, paragraph (b); and 256M.30.

(b) This subdivision does not preclude any county, tribe, or consortium of counties forming a service delivery authority from requesting additional waivers from statutory and rule requirements to ensure greater local control and flexibility.

Subd. 3. Duties. The service delivery authority shall:

(1) within the scope of essential services set forth in the memorandum of understanding establishing the authority, carry out the responsibilities required of local agencies under chapter 393 and human services boards under chapter 402;

(2) manage the public resources devoted to human services and other public services delivered or purchased by the counties or tribes that are subsidized or regulated by the Department of Human Services under chapters 245 to 261;

(3) employ staff to assist in carrying out its duties;

(4) develop and maintain a continuity of operations plan to ensure the continued operation or resumption of essential human services functions in the event of any business interruption according to local, state, and federal emergency planning requirements;

(5) receive and expend funds received for the redesign process under the memorandum of understanding;

(6) plan and deliver services directly or through contract with other governmental, tribal, or nongovernmental providers;

(7) rent, purchase, sell, and otherwise dispose of real and personal property as necessary to carry out the redesign; and

(8) carry out any other service designated as a responsibility of a county.

Subd. 4. Process for establishing a service delivery authority. (a) The county, tribe, or consortium of counties meeting the requirements of section 402A.30 and proposing to establish a service delivery authority shall present to the council:

(1) in conjunction with the commissioner, a proposed memorandum of understanding meeting the requirements of subdivision 1, paragraph (b), and outlining:

(i) the details of the proposal;

(ii) the state, tribal, and local resources, which may include, but are not limited to, funding, administrative and technology support, and other requirements necessary for the service delivery authority; and

(iii) the relief available to the service delivery authority if the resource commitments identified in item (ii) are not met; and

(2) a board resolution from the board of commissioners of each participating county stating the county's intent to participate, or in the case of a tribe, a resolution from tribal government, stating the tribe's intent to participate.

(b) After the council has considered and recommended approval of a proposed memorandum of understanding, the commissioner may finalize and execute the memorandum of understanding.

Subd. 5. **Commissioner authority to seek waivers.** The commissioner may use the authority under section 256.01, subdivision 2, paragraph (1), to grant waivers identified as part of a proposed service delivery authority under subdivision 1, paragraph (b), clause (4), except that waivers granted under this section must be approved by the council under section 402A.20 rather than the Legislative Advisory Committee.

Sec. 18. **ALIGNMENT OF VERIFICATION AND REDETERMINATION POLICIES.**

The commissioner of human services shall develop recommendations to align eligibility verification procedures for all health care, economic assistance, food support, child support enforcement, and child care programs. The commissioner shall report back to the chairs of the legislative committees with jurisdiction over these issues by January 15, 2012, with recommendations and draft legislation to implement the alignment of eligibility verifications.

Sec. 19. **ALTERNATIVE STRATEGIES FOR CERTAIN REDETERMINATIONS.**

The commissioner of human services shall develop and implement by January 15, 2012, a simplified process to redetermine eligibility for recipient populations in the medical assistance, Minnesota supplemental aid, food support, and group residential housing programs who are eligible based upon disability, age, or chronic medical conditions, and who are expected to experience minimal change in income or assets from month to month. The commissioner shall apply for any federal waivers needed to implement this section.

Sec. 20. **REQUEST FOR PROPOSALS; COMBINED ONLINE APPLICATION.**

(a) The commissioner of human services shall issue a request for proposals for a contract to implement a phased-in integrated online eligibility and application portal for health care programs, if federal matching funds are available. The health care portal must be developed in phases with the capacity to integrate food support, cash assistance, and child care programs as funds are available. The request for proposals must require that the system recommended and implemented by the contractor:

(1) streamline eligibility determination and case processing in the state to support statewide eligibility processing;

(2) enable interested persons to determine eligibility for each program, and to apply for programs online in a manner that the applicant will be asked only those questions that relate to the programs the person is applying for;

(3) leverage technology that has been operational in production in other similar state environments; and

(4) include Web-based application and worker application processing support and opportunity for expansion.

(b) If responses to the request for proposals meet the requirements set forth, the commissioner shall enter into a contract for the services specified in paragraph (a) by January 31, 2012. The contract may incorporate a performance-based vendor financing option whereby the vendor shares the risk of the project's success. If the

commissioner determines there is no adequate response to the request for proposals, the commissioner shall report this to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services prior to January 31, 2012.

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

Sec. 21. **REPEALER.**

(a) Minnesota Statutes 2010, sections 402A.30; and 402A.45, are repealed.

(b) Minnesota Rules, part 9500.1243, subpart 3, is repealed.

ARTICLE 9 CHEMICAL AND MENTAL HEALTH

Section 1. Minnesota Statutes 2010, section 246B.10, is amended to read:

246B.10 LIABILITY OF COUNTY; REIMBURSEMENT.

The civilly committed sex offender's county shall pay to the state a portion of the cost of care provided in the Minnesota sex offender program to a civilly committed sex offender who has legally settled in that county. A county's payment must be made from the county's own sources of revenue and payments must equal ~~ten~~ 30 percent of the cost of care, as determined by the commissioner, for each day or portion of a day, that the civilly committed sex offender spends at the facility. If payments received by the state under this chapter exceed ~~90~~ 70 percent of the cost of care, the county is responsible for paying the state the remaining amount. The county is not entitled to reimbursement from the civilly committed sex offender, the civilly committed sex offender's estate, or from the civilly committed sex offender's relatives, except as provided in section 246B.07.

EFFECTIVE DATE. This section is effective for all individuals who are civilly committed to the Minnesota sex offender program on or after August 1, 2011.

Sec. 2. Minnesota Statutes 2010, section 252.025, subdivision 7, is amended to read:

Subd. 7. **Minnesota extended treatment options.** The commissioner shall develop by July 1, 1997, the Minnesota extended treatment options to serve Minnesotans who have developmental disabilities and exhibit severe behaviors which present a risk to public safety. This program is statewide and must provide specialized residential services in Cambridge and an array of community-based services with sufficient levels of care and a sufficient number of specialists to ensure that individuals referred to the program receive the appropriate care. The individuals working in the community-based services under this section are state employees supervised by the commissioner of human services. No ~~midcontract~~ layoffs shall occur as a result of restructuring under this section, but layoffs may occur as a normal consequence of a low census or closure of the facility due to decreased census.

Sec. 3. Minnesota Statutes 2010, section 253B.212, is amended to read:

253B.212 COMMITMENT; RED LAKE BAND OF CHIPPEWA INDIANS; WHITE EARTH BAND OF OJIBWE.

Subdivision 1. **Cost of care; commitment by tribal court order; Red Lake Band of Chippewa Indians.** The commissioner of human services may contract with and receive payment from the Indian Health Service of the United States Department of Health and Human Services for the care and treatment of those members of the Red Lake Band of Chippewa Indians who have been committed by tribal court order to the Indian Health Service for care

and treatment of mental illness, developmental disability, or chemical dependency. The contract shall provide that the Indian Health Service may not transfer any person for admission to a regional center unless the commitment procedure utilized by the tribal court provided due process protections similar to those afforded by sections 253B.05 to 253B.10.

Subd. 1a. **Cost of care; commitment by tribal court order; White Earth Band of Ojibwe Indians.** The commissioner of human services may contract with and receive payment from the Indian Health Service of the United States Department of Health and Human Services for the care and treatment of those members of the White Earth Band of Ojibwe Indians who have been committed by tribal court order to the Indian Health Service for care and treatment of mental illness, developmental disability, or chemical dependency. The tribe may also contract directly with the commissioner for treatment of those members of the White Earth Band who have been committed by tribal court order to the White Earth Department of Health for care and treatment of mental illness, developmental disability, or chemical dependency. The contract shall provide that the Indian Health Service and the White Earth Band shall not transfer any person for admission to a regional center unless the commitment procedure utilized by the tribal court provided due process protections similar to those afforded by sections 253B.05 to 253B.10.

Subd. 2. **Effect given to tribal commitment order.** When, under an agreement entered into pursuant to ~~subdivision 1~~ subdivisions 1 or 1a, the Indian Health Service applies to a regional center for admission of a person committed to the jurisdiction of the health service by the tribal court as a person who is mentally ill, developmentally disabled, or chemically dependent, the commissioner may treat the patient with the consent of the Indian Health Service.

A person admitted to a regional center pursuant to this section has all the rights accorded by section 253B.03. In addition, treatment reports, prepared in accordance with the requirements of section 253B.12, subdivision 1, shall be filed with the Indian Health Service within 60 days of commencement of the patient's stay at the facility. A subsequent treatment report shall be filed with the Indian Health Service within six months of the patient's admission to the facility or prior to discharge, whichever comes first. Provisional discharge or transfer of the patient may be authorized by the head of the treatment facility only with the consent of the Indian Health Service. Discharge from the facility to the Indian Health Service may be authorized by the head of the treatment facility after notice to and consultation with the Indian Health Service.

Sec. 4. Minnesota Statutes 2010, section 254B.03, subdivision 1, is amended to read:

Subdivision 1. **Local agency duties.** (a) Every local agency shall provide chemical dependency services to persons residing within its jurisdiction who meet criteria established by the commissioner for placement in a chemical dependency residential or nonresidential treatment service subject to the limitations on residential chemical dependency treatment in section 254B.04, subdivision 1. Chemical dependency money must be administered by the local agencies according to law and rules adopted by the commissioner under sections 14.001 to 14.69.

(b) In order to contain costs, the commissioner of human services shall select eligible vendors of chemical dependency services who can provide economical and appropriate treatment. Unless the local agency is a social services department directly administered by a county or human services board, the local agency shall not be an eligible vendor under section 254B.05. The commissioner may approve proposals from county boards to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. If a county implements a demonstration or experimental medical services funding plan, the commissioner shall transfer the money as appropriate.

(c) A culturally specific vendor that provides assessments under a variance under Minnesota Rules, part 9530.6610, shall be allowed to provide assessment services to persons not covered by the variance.

Sec. 5. Minnesota Statutes 2010, section 254B.03, subdivision 4, is amended to read:

Subd. 4. **Division of costs.** Except for services provided by a county under section 254B.09, subdivision 1, or services provided under section 256B.69 or 256D.03, subdivision 4, paragraph (b), the county shall, out of local money, pay the state for ~~16.14~~ 22.95 percent of the cost of chemical dependency services, including those services provided to persons eligible for medical assistance under chapter 256B and general assistance medical care under chapter 256D. Counties may use the indigent hospitalization levy for treatment and hospital payments made under this section. ~~16.14~~ 22.95 percent of any state collections from private or third-party pay, less 15 percent for the cost of payment and collections, must be distributed to the county that paid for a portion of the treatment under this section.

EFFECTIVE DATE. This section is effective for claims processed beginning July 1, 2011.

Sec. 6. Minnesota Statutes 2010, section 254B.04, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** (a) Persons eligible for benefits under Code of Federal Regulations, title 25, part 20, persons eligible for medical assistance benefits under sections 256B.055, 256B.056, and 256B.057, subdivisions 1, 2, 5, and 6, or who meet the income standards of section 256B.056, subdivision 4, and persons eligible for general assistance medical care under section 256D.03, subdivision 3, are entitled to chemical dependency fund services subject to the following limitations: (1) no more than three residential chemical dependency treatment episodes for the same person in a four-year period of time unless the person meets the criteria established by the commissioner of human services; and (2) no more than four residential chemical dependency treatment episodes in a lifetime unless the person meets the criteria established by the commissioner of human services. State money appropriated for this paragraph must be placed in a separate account established for this purpose.

Persons with dependent children who are determined to be in need of chemical dependency treatment pursuant to an assessment under section 626.556, subdivision 10, or a case plan under section 260C.201, subdivision 6, or 260C.212, shall be assisted by the local agency to access needed treatment services. Treatment services must be appropriate for the individual or family, which may include long-term care treatment or treatment in a facility that allows the dependent children to stay in the treatment facility. The county shall pay for out-of-home placement costs, if applicable.

(b) A person not entitled to services under paragraph (a), but with family income that is less than 215 percent of the federal poverty guidelines for the applicable family size, shall be eligible to receive chemical dependency fund services within the limit of funds appropriated for this group for the fiscal year. If notified by the state agency of limited funds, a county must give preferential treatment to persons with dependent children who are in need of chemical dependency treatment pursuant to an assessment under section 626.556, subdivision 10, or a case plan under section 260C.201, subdivision 6, or 260C.212. A county may spend money from its own sources to serve persons under this paragraph. State money appropriated for this paragraph must be placed in a separate account established for this purpose.

(c) Persons whose income is between 215 percent and 412 percent of the federal poverty guidelines for the applicable family size shall be eligible for chemical dependency services on a sliding fee basis, within the limit of funds appropriated for this group for the fiscal year. Persons eligible under this paragraph must contribute to the cost of services according to the sliding fee scale established under subdivision 3. A county may spend money from its own sources to provide services to persons under this paragraph. State money appropriated for this paragraph must be placed in a separate account established for this purpose.

EFFECTIVE DATE. This section is effective for all chemical dependency residential treatment beginning on or after July 1, 2011.

Sec. 7. Minnesota Statutes 2010, section 254B.04, is amended by adding a subdivision to read:

Subd. 2a. **Eligibility for treatment in residential settings.** Notwithstanding provisions of Minnesota Rules, part 9530.6622, subparts 5 and 6, related to an assessor's discretion in making placements to residential treatment settings, a person eligible for services under this section must score at level 4 on assessment dimensions related to relapse, continued use, and recovery environment in order to be assigned to services with a room and board component reimbursed under this section.

Sec. 8. Minnesota Statutes 2010, section 254B.06, subdivision 2, is amended to read:

Subd. 2. **Allocation of collections.** The commissioner shall allocate all federal financial participation collections to a special revenue account. The commissioner shall allocate ~~83.86~~ 77.05 percent of patient payments and third-party payments to the special revenue account and ~~16.14~~ 22.95 percent to the county financially responsible for the patient.

EFFECTIVE DATE. This section is effective for claims processed beginning July 1, 2011.

Sec. 9. Minnesota Statutes 2010, section 256B.0625, subdivision 41, is amended to read:

Subd. 41. **Residential services for children with severe emotional disturbance.** Medical assistance covers rehabilitative services in accordance with section 256B.0945 that are provided by a county or an American Indian tribe through a residential facility, for children who have been diagnosed with severe emotional disturbance and have been determined to require the level of care provided in a residential facility.

EFFECTIVE DATE. This section is effective October 1, 2011.

Sec. 10. Minnesota Statutes 2010, section 256B.0945, subdivision 4, is amended to read:

Subd. 4. **Payment rates.** (a) Notwithstanding sections 256B.19 and 256B.041, payments to counties for residential services provided by a residential facility shall only be made of federal earnings for services provided under this section, and the nonfederal share of costs for services provided under this section shall be paid by the county from sources other than federal funds or funds used to match other federal funds. Payment to counties for services provided according to this section shall be a proportion of the per day contract rate that relates to rehabilitative mental health services and shall not include payment for costs or services that are billed to the IV-E program as room and board.

(b) Per diem rates paid to providers under this section by prepaid plans shall be the proportion of the per-day contract rate that relates to rehabilitative mental health services and shall not include payment for group foster care costs or services that are billed to the county of financial responsibility. Services provided in facilities located in bordering states are eligible for reimbursement on a fee-for-service basis only as described in paragraph (a) and are not covered under prepaid health plans.

(c) Payment for mental health rehabilitative services provided under this section by or under contract with an American Indian tribe or tribal organization or by agencies operated by or under contract with an American Indian tribe or tribal organization must be made according to section 256B.0625, subdivision 34, or other relevant federally approved rate-setting methodology.

(d) The commissioner shall set aside a portion not to exceed five percent of the federal funds earned for county expenditures under this section to cover the state costs of administering this section. Any unexpended funds from the set-aside shall be distributed to the counties in proportion to their earnings under this section.

EFFECTIVE DATE. This section is effective October 1, 2011.

Sec. 11. **COMMUNITY MENTAL HEALTH SERVICES; USE OF BEHAVIORAL HEALTH HOSPITALS.**

The commissioner shall issue a written report to the chairs and ranking minority members of the house and senate committees with jurisdiction of health and human services by December 31, 2011, on how the community behavioral health hospital facilities will be fully utilized to meet the mental health needs of regions in which the hospitals are located. The commissioner must consult with the regional planning work groups for adult mental health and must include the recommendations of the work groups in the legislative report. The report must address future use of community behavioral health hospitals that are not certified as Medicaid eligible by CMS or have a less than 65 percent licensed bed occupancy rate, and using the facilities for another purpose that will meet the mental health needs of residents of the region. The regional planning work groups shall work with the commissioner to prioritize the needs of their regions. These priorities, by region, must be included in the commissioner's report to the legislature.

Sec. 12. **INTEGRATED DUAL DIAGNOSIS TREATMENT.**

(a) The commissioner shall require individuals who perform chemical dependency assessments or mental health assessments to use approved screening tools in order to identify whether an individual who is the subject of the assessment has a co-occurring mental health or chemical dependency disorder. Screening for co-occurring disorders must begin no later than December 31, 2011.

(b) No later than October 1, 2011, the commissioner shall develop and implement a certification process for integrated dual diagnosis treatment providers.

(c) No later than December 31, 2011, the commissioner shall develop and implement a referral system so that individuals who, at screening, are identified with co-occurring disorders are referred to certified integrated dual diagnosis treatment providers.

(d) The commissioner shall apply for any federal waivers necessary to secure, to the extent allowed by law, federal financial participation for the provision of integrated dual diagnosis treatment to persons with co-occurring disorders.

Sec. 13. **CLOSURE OF STATE-OPERATED SERVICES FACILITIES.**

(a) The commissioner shall close the Willmar Community Behavioral Health Hospital no later than October 1, 2011.

(b) The commissioner shall close the inpatient child and adolescent behavioral health services program in Willmar, the subacute mental health facility in Wadena, and the Community Behavioral Health Hospitals in Alexandria, Annandale, Baxter, Bemidji, Fergus Falls, and Rochester no later than October 1, 2012.

(c) The commissioner shall present a plan to the legislative committees with jurisdiction over health and human services finance no later than January 15, 2012, on how the department will:

(1) accommodate the mental health needs of clients impacted by the closure of these state-operated services facilities; and

(2) accommodate the state employees adversely affected by the closure of these facilities.

Sec. 14. **REGIONAL TREATMENT CENTERS; EMPLOYEES; REPORT.**

(a) No layoffs shall occur as a result of restructuring services at the Anoka-Metro Regional Treatment Center.

(b) The commissioner shall issue a report to the legislative committees with jurisdiction over health and human services finance no later than December 31, 2011, which provides the number of employees in management positions at the Anoka-Metro Regional Treatment Center and the Minnesota Security Hospital at St. Peter and the ratio of management to direct-care staff for each facility.

Sec. 15. **COMMISSIONER'S CRITERIA FOR RESIDENTIAL TREATMENT.**

The commissioner shall develop specific criteria to approve treatment for individuals who require residential chemical dependency treatment in excess of the maximum allowed in section 254B.04, subdivision 1, due to co-occurring disorders, including disorders related to cognition, traumatic brain injury, or documented disability. Criteria shall be developed for use no later than October 1, 2011.

Sec. 16. **REPEALER.**

Laws 2009, chapter 79, article 3, section 18, as amended by Laws 2010, First Special Session chapter 1, article 19, section 19, is repealed.

ARTICLE 10
HEALTH AND HUMAN SERVICES APPROPRIATIONS

Section 1. **SUMMARY OF APPROPRIATIONS.**

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

	<u>2012</u>	<u>2013</u>	<u>Total</u>
General	\$5,551,038,000	\$5,192,190,000	\$10,743,228,000
State Government Special Revenue	63,198,000	63,154,000	126,352,000
Health Care Access	398,372,000	400,962,000	799,334,000
Federal TANF	274,091,000	282,814,000	556,905,000
Lottery Prize Fund	1,584,000	1,587,000	3,171,000
<u>Total</u>	<u>\$6,288,283,000</u>	<u>\$5,940,707,000</u>	<u>\$12,228,990,000</u>

Sec. 2. **HUMAN SERVICES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2012" and "2013" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2012, or June 30, 2013, respectively. "The first year" is fiscal year 2012. "The second year" is fiscal year 2013. "The biennium" is fiscal years 2012 and 2013.

APPROPRIATIONS
Available for the Year
Ending June 30
2012 **2013**

Sec. 3. **COMMISSIONER OF HUMAN SERVICES**

Subdivision 1. <u>Total Appropriation</u>	<u>\$6,117,437,000</u>	<u>\$5,779,413,000</u>
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Appropriations by Fund

	<u>2012</u>	<u>2013</u>
<u>General</u>	5,468,249,000	5,114,297,000
<u>State Government</u>		
<u>Special Revenue</u>	565,000	565,000
<u>Health Care Access</u>	384,661,000	391,863,000
<u>Federal TANF</u>	262,378,000	271,101,000
<u>Lottery Prize Fund</u>	1,584,000	1,587,000

Receipts for Systems Projects. Appropriations and federal receipts for information systems projects for MAXIS, PRISM, MMIS, and SSIS must be deposited in the state systems account authorized in Minnesota Statutes, section 256.014. Money appropriated for computer projects approved by the Minnesota Office of Enterprise Technology, funded by the legislature, and approved by the commissioner of Minnesota Management and Budget, may be transferred from one project to another and from development to operations as the commissioner of human services considers necessary. Any unexpended balance in the appropriation for these projects does not cancel but is available for ongoing development and operations.

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

TANF Maintenance of Effort.

(a) In order to meet the basic maintenance of effort (MOE) requirements of the TANF block grant specified under Code of Federal Regulations, title 45, section 263.1, the commissioner may only report nonfederal money expended for allowable activities listed in the following clauses as TANF/MOE expenditures:

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

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

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

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

(5) expenditures made on behalf of noncitizen MFIP recipients who qualify for the medical assistance without federal financial participation program under Minnesota Statutes, section 256B.06, subdivision 4, paragraphs (d), (e), and (j);

(6) qualifying working family credit expenditures under Minnesota Statutes, section 290.0671; and

(7) qualifying Minnesota education credit expenditures under Minnesota Statutes, section 290.0674.

(b) The commissioner shall ensure that sufficient qualified nonfederal expenditures are made each year to meet the state's TANF/MOE requirements. For the activities listed in paragraph (a), clauses (2) to (7), the commissioner may only report expenditures that are excluded from the definition of assistance under Code of Federal Regulations, title 45, section 260.31.

(c) For fiscal years beginning with state fiscal year 2003, the commissioner shall assure that the maintenance of effort used by the commissioner of management and budget for the February and November forecasts required under Minnesota Statutes, section 16A.103, contains expenditures under paragraph (a), clause (1), equal to at least 16 percent of the total required under Code of Federal Regulations, title 45, section 263.1.

(d) Minnesota Statutes, section 256.011, subdivision 3, which requires that federal grants or aids secured or obtained under that subdivision be used to reduce any direct appropriations provided by law, do not apply if the grants or aids are federal TANF funds.

(e) Notwithstanding any contrary provision in this article, paragraph (a), clauses (1) to (7), and paragraphs (b) to (d), expire June 30, 2015.

Working Family Credit Expenditures as TANF/MOE. The commissioner may claim as TANF maintenance of effort up to \$6,707,000 per year of working family credit expenditures for fiscal years 2012 and 2013.

Working Family Credit Expenditures to be Claimed for TANF/MOE. The commissioner may count the following amounts of working family credit expenditures as TANF/MOE:

(1) fiscal year 2012, \$12,037,000;

(2) fiscal year 2013, \$29,942,000;

(3) fiscal year 2014, \$23,235,000; and

(4) fiscal year 2015, \$23,198,000.

Notwithstanding any contrary provision in this article, this rider expires June 30, 2015.

TANF Transfer to Federal Child Care and Development Fund.

(a) The following TANF fund amounts are appropriated to the commissioner for purposes of MFIP/Transition Year Child Care Assistance under Minnesota Statutes, section 119B.05:

(1) fiscal year 2012, \$11,020,000;

(2) fiscal year 2013, \$35,020,000;

(3) fiscal year 2014, \$14,020,000; and

(4) fiscal year 2015, \$14,020,000.

(b) The commissioner shall authorize the 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 to federal child care and development fund regulations.

Food Stamps Employment and Training Funds. (a)

Notwithstanding Minnesota Statutes, sections 256D.051, subdivisions 1a, 6b, and 6c, and 256J.626, federal food stamps employment and training funds received as reimbursement for child care assistance program expenditures must be deposited in the general fund. The amount of funds must be limited to \$500,000 per year in fiscal years 2012 through 2015, contingent upon approval by the federal Food and Nutrition Service.

(b) Consistent with the receipt of these federal funds, the commissioner may adjust the level of working family credit expenditures claimed as TANF maintenance of effort. Notwithstanding any contrary provision in this article, this rider expires June 30, 2015.

ARRA Food Support Benefit Increases. The funds provided for food support benefit increases under the Supplemental Nutrition Assistance Program provisions of the American Recovery and Reinvestment Act (ARRA) of 2009 must be used for benefit increases beginning July 1, 2009.

Supplemental Security Interim Assistance Reimbursement Funds. \$2,800,000 of uncommitted revenue available to the commissioner of human services for SSI advocacy and outreach services must be transferred to and deposited into the general fund by June 30, 2012.

Subd. 2. Central Office Operations

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

(a) OperationsAppropriations by Fund

<u>General</u>	<u>81,119,000</u>	<u>80,932,000</u>
<u>Health Care Access</u>	<u>11,742,000</u>	<u>11,508,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>440,000</u>	<u>440,000</u>
<u>Federal TANF</u>	<u>222,000</u>	<u>222,000</u>

DHS Receipt Center Accounting. The commissioner is authorized to transfer appropriations to, and account for DHS receipt center operations in, the special revenue fund.

Base Adjustment. The general fund base for fiscal year 2014 shall be increased by \$79,000. This adjustment is onetime.

(b) Children and FamiliesAppropriations by Fund

<u>General</u>	<u>9,302,000</u>	<u>9,227,000</u>
<u>Federal TANF</u>	<u>2,160,000</u>	<u>2,160,000</u>

Financial Institution Data Match and Payment of Fees. The commissioner is authorized to allocate up to \$310,000 each year in fiscal years 2012 and 2013 from the PRISM special revenue account to make payments to financial institutions in exchange for performing data matches between account information held by financial institutions and the public authority's database of child support obligors as authorized by Minnesota Statutes, section 13B.06, subdivision 7.

(c) Health CareAppropriations by Fund

<u>General</u>	<u>15,989,000</u>	<u>15,801,000</u>
<u>Health Care Access</u>	<u>22,574,000</u>	<u>22,439,000</u>

Minnesota Senior Health Options Reimbursement. Federal administrative reimbursement resulting from the Minnesota senior health options project is appropriated to the commissioner for this activity.

Utilization Review. Federal administrative reimbursement resulting from prior authorization and inpatient admission certification by a professional review organization shall be dedicated to the commissioner for these purposes. A portion of these funds must be used for activities to decrease unnecessary pharmaceutical costs in medical assistance.

Base Adjustment. The general fund base shall be decreased by \$2,000 in fiscal year 2014 and \$114,000 in 2015.

The health care access fund base is decreased by \$16,000 in fiscal year 2014 and \$142,000 in 2015.

(d) Continuing Care

Appropriations by Fund

<u>General</u>	<u>16,706,000</u>	<u>16,661,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>125,000</u>	<u>125,000</u>

Base Adjustment. The general fund base is decreased by \$259,000 in each of fiscal years 2014 and 2015.

(e) Chemical and Mental Health

Appropriations by Fund

<u>General</u>	<u>4,194,000</u>	<u>4,194,000</u>
<u>Lottery Prize</u>	<u>157,000</u>	<u>157,000</u>

Subd. 3. Forecasted Programs

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

(a) MFIP/DWP Grants

Appropriations by Fund

<u>General</u>	<u>84,276,000</u>	<u>91,331,000</u>
<u>Federal TANF</u>	<u>84,425,000</u>	<u>75,417,000</u>

(b) MFIP Child Care Assistance Grants 55,258,000 24,789,000

(c) General Assistance Grants 49,664,000 49,775,000

General Assistance Standard. The commissioner shall set the monthly standard of assistance for general assistance units consisting of an adult recipient who is childless and unmarried or

living apart from parents or a legal guardian at \$203. The commissioner may reduce this amount according to Laws 1997, chapter 85, article 3, section 54.

Emergency General Assistance. The amount appropriated for emergency general assistance funds is limited to no more than \$7,889,812 in fiscal year 2012 and \$7,889,812 in fiscal year 2013. Funds to counties shall be allocated by the commissioner using the allocation method specified in Minnesota Statutes, section 256D.06.

(d) <u>Minnesota Supplemental Aid Grants</u>	<u>38,095,000</u>	<u>39,120,000</u>
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Emergency Minnesota Supplemental Aid Funds. The amount appropriated for emergency Minnesota supplemental aid funds is limited to no more than \$1,100,000 in fiscal year 2012 and \$1,100,000 in fiscal year 2013. Funds to counties shall be allocated by the commissioner using the allocation method specified in Minnesota Statutes, section 256D.46.

(e) <u>Group Residential Housing Grants</u>	<u>121,092,000</u>	<u>129,250,000</u>
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(f) <u>Minnesota Care Grants</u>	<u>349,445,000</u>	<u>357,016,000</u>
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This appropriation is from the health care access fund.

(g) **GAMC Grants**

Payments for Cost Settlements. The commissioner is authorized to use amounts repaid to the general assistance medical care program under Minnesota Statutes 2009 Supplement, section 256D.03, subdivision 3, to pay cost settlements for claims for services provided prior to June 1, 2010. Notwithstanding any contrary provision in this article, this provision does not expire.

(h) <u>Medical Assistance Grants</u>	<u>4,287,303,000</u>	<u>3,983,684,000</u>
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Managed Care Incentive Payments. The commissioner shall not make managed care incentive payments for expanding preventive services during fiscal years beginning July 1, 2011 and July 1, 2012.

Region 10. \$450,000 for the biennium beginning July 1, 2011, is to administer the State Quality Assurance, Quality Improvement, and Licensing System under Minnesota Statutes, section 256B.0961. Of this appropriation, \$200,000 is for the State Quality Council and \$250,000 is for the continuation of Region 10 Quality Assurance.

Limit Growth in the Developmental Disability Waiver. The commissioner shall limit growth in the developmental disability waiver to 15 diversion allocations per month beginning July 1, 2011, through June 30, 2013. Waiver allocations shall be available to individuals who meet the priorities for accessing waiver services identified in Minnesota Statutes, 256B.092, subdivision 12. The limits do not include conversions from intermediate care facilities for persons with developmental disabilities.

Limit Growth in the Community Alternatives for Disabled Individuals Waiver. The commissioner shall limit growth in the community alternatives for disabled individuals waiver to 85 allocations per month beginning July 1, 2011, through June 30, 2013. Waiver allocations must be available to individuals who meet the priorities for accessing waiver services identified in Minnesota Statutes, section 256B.49, subdivision 11a. The limits include conversions and diversions, unless the commissioner has approved a plan to convert funding due to the closure or downsizing of a residential facility or nursing facility to serve directly affected individuals on the community alternatives for disabled individuals waiver.

Reduction of Rates for Congregate Living for Individuals with Lower Needs. Beginning October 1, 2011, lead agencies must reduce rates in effect on January 1, 2011, by ten percent for individuals with lower needs living in foster care settings where the license holder does not share the residence with recipients on the CADI, DD, and TBI waivers and customized living settings for CADI and TBI. Lead agencies must adjust contracts within 60 days of the effective date.

Reduction of Lead Agency Waiver Allocations to Implement Rate Reductions for Congregate Living for Individuals with Lower Needs. Beginning October 1, 2011, the commissioner shall reduce lead agency waiver allocations to implement the reduction of rates for individuals with lower needs living in foster care settings where the license holder does not share the residence with recipients on the CADI, DD, and TBI waivers and customized living settings for CADI and TBI.

Home and Community-Based Waiver Appropriations Limits. (a) Total state and federal funding for the biennium beginning on July 1, 2011, for the medicaid home and community-based waivers for the elderly and persons with disabilities including elderly waiver under Minnesota Statutes, section 256B.0915; DD waiver under Minnesota Statutes, section 256B.092; and the CAC, CADI, and TBI waivers under Minnesota Statutes, section 256B.49, are limited to the following amounts: the DD waiver is limited to \$1,964,344,000; elderly waiver fee-for-service is limited to \$69,114,000; elderly waiver managed care is limited to \$530,566,000; the CADI waiver is limited to \$820,176,000; the

CAC waiver is limited to \$41,444,000; and the TBI waiver is limited to \$194,092,000. Of these amounts, the commissioner shall set aside five percent of each waiver amount to manage emergency situations around the state. The commissioner must ensure that at least the same number of people are served on the home and community-based waiver programs as were served on March 22, 2010. Notwithstanding any law or rule to the contrary, in order to meet the funding limits in this provision, the commissioner may reduce or adjust benefits and services, reduce or adjust case-mix capitation rates, limit or freeze waiver enrollment, establish needed thresholds for service eligibility, adjust eligibility criteria to the extent allowable under federal regulations, establish prior authorization criteria, and adjust county home and community-based waiver allocations as needed. Priorities for the use of waiver slots must be for individuals anticipated to be discharged from an institutional setting or who are at imminent risk of an institutional placement. The limits include conversions and diversions, unless the commissioner has approved a plan to convert funding due to the restructuring, closure, or downsizing of a residential facility or nursing facility to serve directly affected individuals on the home and community-based waivers. The commissioner and counties are prohibited from reducing provider rates under this provision. The commissioner shall maintain the waiting list and access to the waiver.

(b) If the commissioner determines that application of the methods specified in paragraph (a) will not allow spending to remain within the limits specified in that paragraph, the commissioner, effective July 1, 2011, must reduce by ten percent the salaries of all central office staff who, as of June 1, 2011, received a salary of greater than \$90,000.

(c) If the commissioner determines that the application of the methods specified in paragraphs (a) and (b) will not allow spending to remain within the limits specified in paragraph (a), the commissioner may reduce provider payment rates by the amount necessary to remain within the limits specified in paragraph (a).

Management of Fee-for-Service Spending. Total state and federal funding for the biennium beginning on July 1, 2011, for fee-for-service medical assistance basic care for the elderly and persons with disabilities is limited to \$2,536,949,000. Total state and federal funding for the biennium beginning July 1, 2011, for fee-for-service medical assistance basic care for adults without children is limited to \$526,251,000.

Freeze in Fee-for-Service Spending. The commissioner shall manage spending within these limits by:

(1) managing and coordinating the care provided by high-cost providers;

(2) expanding the use of health care homes to manage the care provided to enrollees with chronic conditions;

(3) implementing payment reform to encourage efficient and cost-effective service provision; and

(4) modifying or restricting medical assistance program eligibility, and seeking any necessary approvals or waivers related to federal maintenance of effort requirements.

Contingent Rate Reductions. If the commissioner determines that implementation of the global waiver under Minnesota Statutes, sections 256B.841, 256B.842, and 256B.843, will not achieve a state general fund savings of \$300,000,000 for the biennium beginning July 1, 2011, the commissioner shall calculate an estimate of the shortfall in savings, and, for the fiscal year beginning July 1, 2012, shall reduce medical assistance provider payment rates, including but not limited to rates to individual health care providers and provider agencies, hospitals, nursing facilities, other residential settings, and capitation rates provided to managed care and county-based purchasing plans, by the amount necessary to recoup the shortfall in savings over that fiscal year.

<u>(i) Alternative Care Grants</u>	<u>44,978,000</u>	<u>45,106,000</u>
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Alternative Care Transfer. Any money allocated to the alternative care program that is not spent for the purposes indicated does not cancel but shall be transferred to the medical assistance account.

<u>(j) Chemical Dependency Entitlement Grants</u>	<u>94,675,000</u>	<u>93,298,000</u>
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Subd. 4. Grant Programs

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

(a) Support Services Grants

<u>Appropriations by Fund</u>		
<u>General</u>	<u>9,165,000</u>	<u>9,165,000</u>
<u>Federal TANF</u>	<u>96,525,000</u>	<u>90,611,000</u>

MFIP Consolidated Fund Grants. The TANF fund base is reduced by \$14,000,000 each year beginning in fiscal year 2012.

Subsidized Employment Funding Through ARRA. The commissioner is authorized to apply for TANF emergency fund grants for subsidized employment activities. Growth in expenditures for subsidized employment within the supported work program and the MFIP consolidated fund over the amount expended in the calendar year quarters in the TANF emergency fund base year shall be used to leverage the TANF emergency fund grants for subsidized employment and to fund supported work. The commissioner shall develop procedures to maximize reimbursement of these expenditures over the TANF emergency fund base year quarters, and may contract directly with employers and providers to maximize these TANF emergency fund grants.

Healthy Communities. \$150,000 in fiscal year 2012 and \$150,000 in fiscal year 2013 are appropriated from the general fund to the commissioner of human services for contracting with the Search Institute to promote healthy community initiatives. The commissioner may expend up to five percent of the appropriation to provide for the program evaluation.

Circles of Support. \$200,000 in fiscal year 2012 and \$200,000 in fiscal year 2013 are appropriated from the general fund to the commissioner of human services for the purpose of providing grants to community action agencies for circles of support initiatives.

Northern Connections. \$100,000 is appropriated in fiscal year 2012 and \$100,000 is appropriated in fiscal year 2013 from the general fund to the commissioner of human services for a grant to expand Northern Connections workforce program that provides one-stop supportive services to individuals as they transition into the workforce to up to two interested counties in rural Minnesota.

(b) Basic Sliding Fee Child Care Assistance Grants

37,771,000

39,686,000

Base Adjustment. The general fund base is decreased by \$1,131,000 in fiscal year 2014 and \$1,126,000 in fiscal year 2015.

Child Care and Development Fund Unexpended Balance. In addition to the amount provided in this section, the commissioner shall expend \$5,000,000 in fiscal year 2012 from the federal child care and development fund unexpended balance for basic sliding fee child care under Minnesota Statutes, section 119B.03. The commissioner shall ensure that all child care and development funds are expended according to the federal child care and development fund regulations.

(c) Child Care Development Grants1,487,0001,487,000

Child Care Development Funds. The commissioner of human services shall direct \$1,000,000 in federal child care development funds for the purpose of continuing the quality rating and improvement system as described in Minnesota Statutes, section 119B.135, in the original pilot area and expanding the system to two new rural geographic locations.

(d) Child Support Enforcement Grants50,00050,000

Federal Child Support Demonstration Grants. Federal administrative reimbursement resulting from the federal child support grant expenditures authorized under section 1115a of the Social Security Act is appropriated to the commissioner for this activity.

(e) Children's Services GrantsAppropriations by Fund

General	<u>45,427,000</u>	<u>45,127,000</u>
Federal TANF	<u>140,000</u>	<u>140,000</u>

Adoption Assistance and Relative Custody Assistance. The commissioner may transfer unencumbered appropriation balances for adoption assistance and relative custody assistance between fiscal years and between programs.

Privatized Adoption Grants. Federal reimbursement for privatized adoption grant and foster care recruitment grant expenditures is appropriated to the commissioner for adoption grants and foster care and adoption administrative purposes.

Adoption Assistance Incentive Grants. Federal funds available during fiscal year 2012 and fiscal year 2013 for adoption incentive grants are appropriated to the commissioner for these purposes.

(f) Children and Community Services Grants64,301,00064,301,000**(g) Children and Economic Support Grants**16,505,00015,315,000

Long-term homeless services. \$700,000 is appropriated from the federal TANF fund for the biennium beginning July 1, 2011, to the commissioner of human services for long-term homeless services for low-income homeless families under Minnesota Statutes, section 256K.26. This is a onetime appropriation and is not added to the base.

Base Adjustment. The general fund base is increased by \$491,000 in fiscal year 2014 only.

(h) Health Care GrantsAppropriations by Fund

<u>General</u>	<u>750,000</u>	<u>750,000</u>
<u>Health Care Access</u>	<u>900,000</u>	<u>900,000</u>

Surplus Appropriation Canceled. Of the appropriation in Laws 2009, chapter 79, article 13, section 3, subdivision 6, paragraph (e), for the COBRA premium state subsidy program, \$11,750,000 must be canceled in fiscal year 2011. This provision is effective the day following final enactment.

Grant Cancellation. Effective for the biennium beginning July 1, 2011, the following appropriations are canceled: (1) a general fund appropriation of \$205,000 for the U Special Kids program; (2) a general fund appropriation of \$90,000 for medical assistance outreach grants; and (3) a health care access fund appropriation of \$40,000 for MinnesotaCare outreach grants.

State Subsidy Program for Community Mental Health Centers. \$100,000 is appropriated from the general fund to the commissioner of human services for the biennium beginning July 1, 2011, to provide onetime grants to establish new community mental health centers that are eligible for payment under Minnesota Statutes, section 256B.0625, subdivision 5. In awarding grants, the commissioner shall give preference to areas of the state that lack access to mental health services or are underserved.

(i) Aging and Adult Services Grants18,834,00019,010,000

Aging Grants Reduction. Effective July 1, 2011, funding for grants made under Minnesota Statutes, sections 256.9754 and 256B.0917, subdivision 13, is reduced by \$3,600,000 for each year of the biennium. These reductions are onetime and do not affect base funding for the 2014-2015 biennium. Grants made during the 2012-2013 biennium under Minnesota Statutes, section 256B.9754, must not be used for new construction or building renovation.

Essential Community Support Grant Delay. Essential community supports grants under Minnesota Statutes, section 256B.0917, subdivision 14, is reduced by \$6,410,000 in fiscal year 2012 and \$7,279,000 in fiscal year 2013. Base level funding for fiscal year 2014 is reduced by \$5,919,000. These reductions are onetime and do not affect base level funding for fiscal year 2015.

(j) Deaf and Hard-of-Hearing Grants1,936,0001,767,000**(k) Disabilities Grants**21,700,00023,538,000

Local Planning Grants for Creating Alternatives to Congregate Living for Individuals with Lower Needs. The commissioner shall make available a total of \$250,000 per year in local planning grants, beginning July 1, 2011, to assist lead agencies and provider organizations in developing alternatives to congregate living within the available level of resources for the home and community-based services waivers for persons with disabilities.

(l) Adult Mental Health Grants

Appropriations by Fund

General	<u>76,789,000</u>	<u>76,789,000</u>
Lottery Prize Fund	<u>1,427,000</u>	<u>1,430,000</u>

Funding Usage. Up to 75 percent of a fiscal year's appropriation for adult mental health grants may be used to fund allocations in that portion of the fiscal year ending December 31.

Base Adjustment. The lottery prize fund base for this program shall be increased by \$78,000 in each of fiscal years 2014 and 2015.

<u>(m) Children's Mental Health Grants</u>	<u>16,682,000</u>	<u>16,682,000</u>
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Funding Usage. Up to 75 percent of a fiscal year's appropriation for children's mental health grants may be used to fund allocations in that portion of the fiscal year ending December 31.

<u>(n) Chemical Dependency Nonentitlement Grants</u>	<u>1,336,000</u>	<u>1,336,000</u>
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Subd. 5. State-Operated Services

Transfer Authority Related to State-Operated Services. Money appropriated for state-operated services may be transferred between fiscal years of the biennium with the approval of the commissioner of management and budget.

<u>(a) State-Operated Services Mental Health</u>	<u>115,196,000</u>	<u>80,603,000</u>
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State-Operated Services. To achieve these savings, the commissioner shall close the Willmar Community Behavioral Health Hospital no later than October 1, 2011, and shall close the inpatient child and adolescent behavioral health service program in Willmar, the subacute mental health facility in Wadena, and the community behavioral health hospitals in Alexandria, Annandale, Baxter, Bemidji, Fergus Falls, and Rochester no later than October 1, 2012.

Base Adjustment. The general fund base is reduced by \$8,443,000 in fiscal year 2014 and \$11,543,000 in fiscal year 2015.

(b) <u>Minnesota Security Hospital</u>	<u>69,582,000</u>	<u>69,582,000</u>
Subd. 6. <u>Sex Offender Program</u>	<u>68,787,000</u>	<u>65,941,000</u>

Transfer Authority Related to Minnesota Sex Offender Program. Money appropriated for the Minnesota sex offender program may be transferred between fiscal years of the biennium with the approval of the commissioner of management and budget.

Minnesota Sex Offender Program Reduction. The fiscal year 2011 general fund appropriation for Minnesota sex offender services under Laws 2009, chapter 79, article 13, section 3, subdivision 10, paragraph (b), is reduced by \$3,000,000.

Subd. 7. <u>Technical Activities</u>	<u>78,206,000</u>	<u>102,551,000</u>
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This appropriation is from the federal TANF fund.

Sec. 4. **COMMISSIONER OF HEALTH**

Subdivision 1. <u>Total Appropriation</u>	<u>\$147,845,000</u>	<u>\$136,538,000</u>
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Appropriations by Fund

	<u>2012</u>	<u>2013</u>
<u>General</u>	<u>77,603,000</u>	<u>72,707,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>45,268,000</u>	<u>45,325,000</u>
<u>Health Care Access</u>	<u>13,711,000</u>	<u>9,099,000</u>
<u>Federal TANF</u>	<u>11,713,000</u>	<u>11,713,000</u>

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

 Subd. 2. **Community and Family Health Promotion**

Appropriations by Fund

<u>General</u>	<u>50,430,000</u>	<u>45,690,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>1,033,000</u>	<u>1,033,000</u>
<u>Health Care Access</u>	<u>2,918,000</u>	<u>2,459,000</u>
<u>Federal TANF</u>	<u>11,713,000</u>	<u>11,713,000</u>

TANF Appropriations. (1) \$1,156,000 of the TANF funds is appropriated each year to the commissioner for family planning grants under Minnesota Statutes, section 145.925.

(2) \$3,579,000 of the TANF funds is appropriated each year to the commissioner for home visiting and nutritional services listed under Minnesota Statutes, section 145.882, subdivision 7, clauses (6) and (7). Funds must be distributed to community health boards according to Minnesota Statutes, section 145A.131, subdivision 1.

(3) \$2,000,000 of the TANF funds is appropriated each year to the commissioner for decreasing racial and ethnic disparities in infant mortality rates under Minnesota Statutes, section 145.928, subdivision 7.

(4) \$4,978,000 of the TANF funds is appropriated each year to the commissioner for the family home visiting grant program according to Minnesota Statutes, section 145A.17. \$4,000,000 of the funding must be distributed to community health boards according to Minnesota Statutes, section 145A.131, subdivision 1. \$978,000 of the funding must be distributed to tribal governments based on Minnesota Statutes, section 145A.14, subdivision 2a.

(5) The commissioner may use up to 6.23 percent of the funds appropriated each fiscal year to conduct the ongoing evaluations required under Minnesota Statutes, section 145A.17, subdivision 7, and training and technical assistance as required under Minnesota Statutes, section 145A.17, subdivisions 4 and 5.

TANF Carryforward. Any unexpended balance of the TANF appropriation in the first year of the biennium does not cancel but is available for the second year.

Subd. 3. Policy Quality and Compliance

Appropriations by Fund

<u>General</u>	<u>10,403,000</u>	<u>10,199,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>14,026,000</u>	<u>14,083,000</u>
<u>Health Care Access</u>	<u>10,793,000</u>	<u>6,640,000</u>

MERC Fund Transfers. The commissioner of management and budget shall transfer \$9,800,000 from the MERC fund to the general fund by October 1, 2011.

Unused Federal Match Funds. Of the funds appropriated in Laws 2009, chapter 79, article 13, section 4, subdivision 3, for state matching funds for the federal Health Information Technology for Economic and Clinical Health Act, \$2,800,000 is transferred to the health care access fund by October 1, 2011.

Advisory Committee on Patient and Community Engagement.

\$50,000 is appropriated to the commissioner of health to provide a grant to a private sector organization designated as the advisory committee on patient and community engagement to be used by the organization for:

(1) per diems and expenses for persons who serve on the designated organization's board; and

(2) expenses for conducting focus groups, community engagement events, surveys, and other activities undertaken by the designated organization to obtain information, input, and preferences from diverse communities for purposes of community engagement in health system issues.

Health Careers Opportunities Grants. \$447,000 each year is appropriated to the commissioner of health from the health care access fund for the health careers opportunities grant program under Minnesota Statutes, section 144.1499.

Health Professions Opportunities Scholarship Program. \$63,000 each year is appropriated to the commissioner of health from the health care access fund for the health professions opportunities scholarship program under Minnesota Statutes, section 144.1503. \$138,000 in fiscal year 2012 and \$276,000 each year thereafter is appropriated to the commissioner of health from the general fund for the health professions opportunities scholarship program under Minnesota Statutes, section 144.1503.

Base Level Adjustment. The state government special revenue fund base shall be reduced by \$141,000 in fiscal years 2014 and 2015. The health care access base shall be increased by \$600,000 in fiscal year 2014.

Subd. 4. Health ProtectionAppropriations by Fund

<u>General</u>	<u>9,370,000</u>	<u>9,370,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>30,209,000</u>	<u>30,209,000</u>

Subd. 5. Administrative Support Services 7,440,000 7,488,000

Sec. 5. COUNCIL ON DISABILITY \$524,000 \$524,000

Sec. 6. OMBUDSMAN FOR MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES \$1,655,000 \$1,655,000

Funds appropriated for fiscal year 2011 are available until expended.

Sec. 7. <u>OMBUDSPERSON FOR FAMILIES</u>	<u>\$265,000</u>	<u>\$265,000</u>
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Sec. 8. <u>HEALTH-RELATED BOARDS</u>		
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Subdivision 1. <u>Total Appropriation</u>	<u>\$17,365,000</u>	<u>\$17,264,000</u>
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This appropriation is from the state government special revenue fund. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Board of Chiropractic Examiners</u>	469,000	469,000
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Subd. 3. <u>Board of Dentistry</u>	1,959,000	1,914,000
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Health Professional Services Program. \$834,000 in fiscal year 2012 and \$804,000 in fiscal year 2013 from the state government special revenue fund are for the health professional services program.

Subd. 4. <u>Board of Dietetic and Nutrition Practice</u>	110,000	110,000
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Subd. 5. <u>Board of Marriage and Family Therapy</u>	192,000	167,000
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Rulemaking. Of this appropriation, \$25,000 in fiscal year 2012 is for rulemaking. This is a onetime appropriation.

Subd. 6. <u>Board of Medical Practice</u>	3,866,000	3,866,000
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Subd. 7. <u>Board of Nursing</u>	3,545,000	3,545,000
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Subd. 8. <u>Board of Nursing Home Administrators</u>	2,153,000	2,145,000
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Rulemaking. Of this appropriation, \$44,000 in fiscal year 2012 is for rulemaking. This is a onetime appropriation.

Electronic Licensing System Adaptors. Of this appropriation, \$761,000 in fiscal year 2013 from the state government special revenue fund is to the administrative services unit to cover the costs to connect to the e-licensing system. Minnesota Statutes, section 16E.22. Base level funding for this activity in fiscal year 2014 shall be \$100,000. Base level funding for this activity in fiscal year 2015 shall be \$50,000.

Development and Implementation of a Disciplinary, Regulatory, Licensing and Information Management System. Of this appropriation, \$800,000 in fiscal year 2012 and \$300,000 in fiscal year 2013 are for the development of a shared system. Base level funding for this activity in fiscal year 2014 shall be \$50,000.

Administrative Services Unit - Operating Costs. Of this appropriation, \$526,000 in fiscal year 2012 and \$526,000 in fiscal year 2013 are for operating costs of the administrative services unit. The administrative services unit may receive and expend reimbursements for services performed by other agencies.

Administrative Services Unit - Retirement Costs. Of this appropriation in fiscal year 2012, \$225,000 is for onetime retirement costs in the health-related boards. This funding may be transferred to the health boards incurring those costs for their payment. These funds are available either year of the biennium.

Administrative Services Unit - Volunteer Health Care Provider Program. Of this appropriation, \$150,000 in fiscal year 2012 and \$150,000 in fiscal year 2013 are to pay for medical professional liability coverage required under Minnesota Statutes, section 214.40.

Administrative Services Unit - Contested Cases and Other Legal Proceedings. Of this appropriation, \$200,000 in fiscal year 2012 and \$200,000 in fiscal year 2013 are for costs of contested case hearings and other unanticipated costs of legal proceedings involving health-related boards funded under this section. Upon certification of a health-related board to the administrative services unit that the costs will be incurred and that there is insufficient money available to pay for the costs out of money currently available to that board, the administrative services unit is authorized to transfer money from this appropriation to the board for payment of those costs with the approval of the commissioner of finance. This appropriation does not cancel. Any unencumbered and unspent balances remain available for these expenditures in subsequent fiscal years.

<u>Subd. 9. Board of Optometry</u>	<u>106,000</u>	<u>106,000</u>
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<u>Subd. 10. Board of Pharmacy</u>	<u>1,977,000</u>	<u>1,980,000</u>
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Prescription Electronic Reporting. Of this appropriation, \$356,000 in fiscal year 2012 and \$356,000 in fiscal year 2013 from the state government special revenue fund are to the board to operate the prescription electronic reporting system in Minnesota Statutes, section 152.126. Base level funding for this activity in fiscal year 2014 shall be \$356,000.

<u>Subd. 11. Board of Physical Therapy</u>	<u>389,000</u>	<u>345,000</u>
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Rulemaking. Of this appropriation, \$44,000 in fiscal year 2012 is for rulemaking. This is a onetime appropriation.

Subd. 12. <u>Board of Podiatry</u>	<u>75,000</u>	<u>75,000</u>
Subd. 13. <u>Board of Psychology</u>	<u>846,000</u>	<u>846,000</u>
Subd. 14. <u>Board of Social Work</u>	<u>1,036,000</u>	<u>1,053,000</u>
Subd. 15. <u>Board of Veterinary Medicine</u>	<u>228,000</u>	<u>229,000</u>
Subd. 16. <u>Board of Behavioral Health and Therapy</u>	<u>414,000</u>	<u>414,000</u>
Sec. 9. <u>EMERGENCY MEDICAL SERVICES BOARD</u>	<u>\$2,742,000</u>	<u>\$2,742,000</u>

Of the appropriation, \$700,000 in fiscal year 2012 and \$700,000 in fiscal year 2013 are for the Cooper/Sams volunteer ambulance program under Minnesota Statutes, section 144E.40.

Sec. 10. Minnesota Statutes 2010, section 256.01, is amended by adding a subdivision to read:

Subd. 33. Federal administrative reimbursement dedicated. Federal administrative reimbursement resulting from the following activities is appropriated to the commissioner for the designated purposes:

(1) reimbursement for the Minnesota senior health options project; and

(2) reimbursement related to prior authorization and inpatient admission certification by a professional review organization. A portion of these funds must be used for activities to decrease unnecessary pharmaceutical costs in medical assistance.

Sec. 11. Laws 2010, First Special Session chapter 1, article 15, section 3, subdivision 6, is amended to read:

Subd. 6. **Continuing Care Grants**

(a) **Aging and Adult Services Grants** (3,600,000) (3,600,000)

Community Service/Service Development Grants Reduction. Effective retroactively from July 1, 2009, funding for grants made under Minnesota Statutes, sections 256.9754 and 256B.0917, subdivision 13, is reduced by \$5,807,000 for each year of the biennium. Grants made during the biennium under Minnesota Statutes, section 256.9754, shall not be used for new construction or building renovation.

Aging Grants Delay. Aging grants must be reduced by \$917,000 in fiscal year 2011 and increased by \$917,000 in fiscal year 2012. These adjustments are onetime and must not be applied to the base. This provision expires June 30, 2012.

(b) **Medical Assistance Long-Term Care Facilities Grants** (3,827,000) (2,745,000)

ICF/MR Variable Rates Suspension. Effective retroactively from July 1, 2009, to June 30, 2010, no new variable rates shall be authorized for intermediate care facilities for persons with developmental disabilities under Minnesota Statutes, section 256B.5013, subdivision 1.

ICF/MR Occupancy Rate Adjustment Suspension. Effective retroactively from July 1, 2009, to June 30, 2011, approval of new applications for occupancy rate adjustments for unoccupied short-term beds under Minnesota Statutes, section 256B.5013, subdivision 7, is suspended.

(c) Medical Assistance Long-Term Care Waivers and Home Care Grants	(2,318,000)	(5,807,000)
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Developmental Disability Waiver Acuity Factor. Effective retroactively from January 1, 2010, the January 1, 2010, one percent growth factor in the developmental disability waiver allocations under Minnesota Statutes, section 256B.092, subdivisions 4 and 5, that is attributable to changes in acuity, is suspended to June 30, 2011 eliminated. Notwithstanding any law to the contrary, this provision does not expire.

(d) Adult Mental Health Grants	(5,000,000)	-0-
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(e) Chemical Dependency Entitlement Grants	(3,622,000)	(3,622,000)
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(f) Chemical Dependency Nonentitlement Grants	(393,000)	(393,000)
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(g) Other Continuing Care Grants	-0-	(2,500,000) <u>(1,414,000)</u>
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Other Continuing Care Grants Delay. Other continuing care grants must be reduced by \$1,414,000 in fiscal year 2011 and increased by \$1,414,000 in fiscal year 2012. These adjustments are onetime and must not be applied to the base. This provision expires June 30, 2012.

(h) <u>Deaf and Hard-of-Hearing Grants</u>	<u>-0-</u>	<u>(169,000)</u>
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Deaf and Hard-of-Hearing Grants Delay. Effective retroactively from July 1, 2010, deaf and hard-of-hearing grants must be reduced by \$169,000 in fiscal year 2011 and increased by \$169,000 in fiscal year 2012. These adjustments are onetime and must not be applied to the base. This provision expires June 30, 2012.

Sec. 12. **TRANSFERS.**

Subdivision 1. Grants. The commissioner of human services, with the approval of the commissioner of management and budget, and after notification of the chairs of the senate health and human services budget and policy committee and the house of representatives health and human services finance committee, may transfer unencumbered appropriation balances for the biennium ending June 30, 2013, within fiscal years among the MFIP; general assistance; general assistance medical care under Minnesota Statutes 2009 Supplement, section 256D.03, subdivision 3; medical assistance; MFIP child care assistance under Minnesota Statutes, section 119B.05; Minnesota supplemental aid; and group residential housing programs, and the entitlement portion of the chemical dependency consolidated treatment fund, and between fiscal years of the biennium.

Subd. 2. **Administration.** Positions, salary money, and nonsalary administrative money may be transferred within the Departments of Health and Human Services as the commissioners consider necessary, with the advance approval of the commissioner of management and budget. The commissioner shall inform the chairs of the senate health and human services budget and policy committee and the house of representatives health and human services finance committee quarterly about transfers made under this provision.

Sec. 13. **INDIRECT COSTS NOT TO FUND PROGRAMS.**

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

Sec. 14. **EXPIRATION OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires on June 30, 2013, unless a different expiration date is explicit.

Sec. 15. **EFFECTIVE DATE.**

The provisions in this article are effective July 1, 2011, unless a different effective date is specified.

ARTICLE 11
HUMAN SERVICES FORECAST ADJUSTMENTS

Section 1. **DEPARTMENT OF HUMAN SERVICES FORECAST ADJUSTMENT APPROPRIATIONS.**

The sums shown are added to, or if shown in parentheses, are subtracted from the appropriations in Laws 2009, chapter 79, article 13, as amended by Laws 2009, chapter 173, article 2; Laws 2010, First Special Session chapter 1, articles 15, 23, and 25; and Laws 2010, Second Special Session chapter 1, article 3, to the commissioner of human services and for the purposes specified in this article. The appropriations are from the general fund or another named fund and are available for the fiscal year indicated for each purpose. The figure "2011" used in this article means that the appropriation or appropriations listed are available for the fiscal year ending June 30, 2011.

Sec. 2. **COMMISSIONER OF HUMAN SERVICES**

Subdivision 1. **Total Appropriation** **\$(235,463,000)**

Appropriations by Fund

2011

<u>General</u>	<u>(381,869,000)</u>
<u>Health Care Access</u>	<u>169,514,000</u>
<u>Federal TANF</u>	<u>(23,108,000)</u>

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

Subd. 2. **Revenue and Pass-through** **732,000**

This appropriation is from the federal TANF fund.

Subd. 3. Children and Economic Assistance GrantsAppropriations by Fund

<u>General</u>	<u>(7,098,000)</u>
<u>Federal TANF</u>	<u>(23,840,000)</u>

(a) MFIP/DWP GrantsAppropriations by Fund

<u>General</u>	<u>18,715,000</u>
<u>Federal TANF</u>	<u>(23,840,000)</u>

<u>(b) MFIP Child Care Assistance Grants</u>	<u>(24,394,000)</u>
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<u>(c) General Assistance Grants</u>	<u>(664,000)</u>
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<u>(d) Minnesota Supplemental Aid Grants</u>	<u>793,000</u>
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<u>(e) Group Residential Housing Grants</u>	<u>(1,548,000)</u>
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Subd. 4. Basic Health Care GrantsAppropriations by Fund

<u>General</u>	<u>(335,050,000)</u>
<u>Health Care Access</u>	<u>169,514,000</u>

<u>(a) MinnesotaCare Grants</u>	<u>169,514,000</u>
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This appropriation is from the health care access fund.

<u>(b) Medical Assistance Basic Health Care - Families and Children</u>	<u>(49,368,000)</u>
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<u>(c) Medical Assistance Basic Health Care - Elderly and Disabled</u>	<u>(43,258,000)</u>
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<u>(d) Medical Assistance Basic Health Care - Adults without Children</u>	<u>(242,424,000)</u>
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<u>Subd. 5. Continuing Care Grants</u>	<u>(39,721,000)</u>
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<u>(a) Medical Assistance Long-Term Care Facilities</u>	<u>(14,627,000)</u>
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<u>(b) Medical Assistance Long-Term Care Waivers</u>	<u>(44,718,000)</u>
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<u>(c) Chemical Dependency Entitlement Grants</u>	<u>19,624,000</u>
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Sec. 3. Laws 2010, First Special Session chapter 1, article 25, section 3, subdivision 6, is amended to read:

Subd. 6. **Health Care Grants**

(a) MinnesotaCare Grants	998,000	(13,376,000)
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This appropriation is from the health care access fund.

Health Care Access Fund Transfer to General Fund. The commissioner of management and budget shall transfer the following amounts in the following years from the health care access fund to the general fund: ~~\$998,000~~ \$0 in fiscal year 2010; ~~\$176,704,000~~ \$59,901,000 in fiscal year 2011; \$141,041,000 in fiscal year 2012; and \$286,150,000 in fiscal year 2013. If at any time the governor issues an executive order not to participate in early medical assistance expansion, no funds shall be transferred from the health care access fund to the general fund until early medical assistance expansion takes effect. This paragraph is effective the day following final enactment.

MinnesotaCare Ratable Reduction. Effective for services rendered on or after July 1, 2010, to December 31, 2013, MinnesotaCare payments to managed care plans under Minnesota Statutes, section 256L.12, for single adults and households without children whose income is greater than 75 percent of federal poverty guidelines shall be reduced by 15 percent. Effective for services provided from July 1, 2010, to June 30, 2011, this reduction shall apply to all services. Effective for services provided from July 1, 2011, to December 31, 2013, this reduction shall apply to all services except inpatient hospital services. Notwithstanding any contrary provision of this article, this paragraph shall expire on December 31, 2013.

(b) Medical Assistance Basic Health Care Grants - Families and Children	-0-	295,512,000
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Critical Access Dental. Of the general fund appropriation, \$731,000 in fiscal year 2011 is to the commissioner for critical access dental provider reimbursement payments under Minnesota Statutes, section 256B.76 subdivision 4. This is a onetime appropriation.

Nonadministrative Rate Reduction. For services rendered on or after July 1, 2010, to December 31, 2013, the commissioner shall reduce contract rates paid to managed care plans under Minnesota Statutes, sections 256B.69 and 256L.12, and to county-based purchasing plans under Minnesota Statutes, section 256B.692, by three percent of the contract rate attributable to nonadministrative services in effect on June 30, 2010. Notwithstanding any contrary provision in this article, this rider expires on December 31, 2013.

(c) Medical Assistance Basic Health Care Grants - Elderly and Disabled	-0-	(30,265,000)
(d) General Assistance Medical Care Grants	-0-	(75,389,000) <u>(59,583,000)</u>

The reduction to general assistance medical care grants is contingent upon the effective date in Laws 2010, First Special Session chapter 1, article 16, section 48. The reduction shall be reestimated based upon the actual effective date of the law. The commissioner of management and budget shall make adjustments in fiscal year 2011 to general assistance medical care appropriations to conform to the total expected expenditure reductions specified in this section.

(e) Other Health Care Grants	-0-	(7,000,000)
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Cobra Carryforward. Unexpended funds appropriated in fiscal year 2010 for COBRA grants under Laws 2009, chapter 79, article 5, section 78, do not cancel and are available to the commissioner for fiscal year 2011 COBRA grant expenditures. Up to \$111,000 of the fiscal year 2011 appropriation for COBRA grants provided in Laws 2009, chapter 79, article 13, section 3, subdivision 6, may be used by the commissioner for costs related to administration of the COBRA grants.

Sec. 4. **EFFECTIVE DATE.**

This article is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state government; establishing the health and human services budget; making changes to children and family services, Department of Health, health licensing boards, miscellaneous provisions, health licensing fees, health care, and continuing care; redesigning service delivery; making changes to chemical and mental health; modifying fee schedules; modifying program eligibility requirements; authorizing rulemaking; requiring reports; appropriating money for the Departments of Health and Human Services and other health-related boards and councils; making forecast adjustments; amending Minnesota Statutes 2010, sections 3.98, by adding a subdivision; 62D.08, subdivision 7; 62E.08, subdivision 1; 62E.14, by adding a subdivision; 62J.04, subdivisions 3, 9; 62J.17, subdivision 4a; 62J.495, by adding a subdivision; 62J.497, by adding a subdivision; 62J.692; 62Q.32; 62U.04, subdivisions 3, 9; 62U.06, subdivision 2; 119B.011, subdivision 13; 119B.035, subdivisions 1, 4; 119B.09, subdivision 10, by adding subdivisions; 119B.13, subdivisions 1, 1a, 7; 144.05, by adding a subdivision; 144.1499; 144.1501, subdivisions 1, 4; 144.98, subdivisions 2a, 7, by adding subdivisions; 144A.102; 144A.61, by adding a subdivision; 144E.123; 145.928, subdivision 2; 145.986, by adding subdivisions; 145A.17, subdivision 3; 148.07, subdivision 1; 148.10, subdivision 7; 148.108, by adding a subdivision; 148.191, subdivision 2; 148.212, subdivision 1; 148.231; 148B.17; 148B.33, subdivision 2; 148B.52; 148B.5301, subdivisions 1, 3, 4; 148B.54, subdivisions 2, 3; 148E.060, subdivisions 1, 2, 3, 5, by adding a subdivision; 148E.120; 150A.02; 150A.06, subdivisions 1c, 1d, 3, 4, 6; 150A.09, subdivision 3; 150A.091, subdivisions 2, 3, 4, 5, 8, by adding a subdivision; 150A.105, subdivision 7; 150A.106, subdivision 1; 150A.14; 151.07; 151.101; 151.102, by adding a subdivision; 151.12; 151.13, subdivision 1; 151.19; 151.25; 151.47, subdivision 1; 151.48; 152.12, subdivision 3; 157.15, by

adding a subdivision; 157.20, by adding a subdivision; 214.09, by adding a subdivision; 214.103; 245A.03, subdivision 2; 245A.14, subdivision 4; 246B.10; 252.025, subdivision 7; 252.27, subdivision 2a; 252.291, subdivision 2; 253B.212; 254B.03, subdivisions 1, 4; 254B.04, subdivision 1, by adding a subdivision; 254B.06, subdivision 2; 256.01, subdivisions 14b, 24, 29, by adding subdivisions; 256.045, subdivision 4a; 256.969, subdivisions 2b, 3a, by adding a subdivision; 256B.04, subdivision 18; 256B.05, by adding a subdivision; 256B.055, subdivision 15; 256B.056, subdivision 3, by adding a subdivision; 256B.057, subdivision 9; 256B.06, subdivision 4; 256B.0625, subdivisions 8, 8a, 8e, 13e, 13h, 17, 17a, 18, 31a, 41, by adding subdivisions; 256B.0631, subdivisions 1, 2, 3; 256B.0657; 256B.0659, subdivisions 2, 11, 28; 256B.0751, subdivisions 1, 2, 3, 4, by adding subdivisions; 256B.0753, by adding a subdivision; 256B.0754, by adding a subdivision; 256B.0755, subdivision 4, by adding subdivisions; 256B.0756; 256B.0911, subdivisions 1a, 3a, 4a, 6; 256B.0913, subdivision 4; 256B.0915, subdivisions 3a, 3b, 3e, 3h, 5, 10; 256B.0916, subdivision 6a; 256B.092, subdivisions 1a, 1b, 1e, 1g, 3, 8; 256B.0945, subdivision 4; 256B.14, by adding a subdivision; 256B.19, by adding a subdivision; 256B.37, subdivision 5; 256B.431, subdivision 2r, by adding a subdivision; 256B.434, subdivision 4; 256B.437, subdivision 6; 256B.441, by adding subdivisions; 256B.48, subdivision 1; 256B.49, subdivisions 12, 13, 14, 15, by adding a subdivision; 256B.5012, by adding subdivisions; 256B.69, subdivisions 3a, 4, 5a, 5c, 6, by adding subdivisions; 256B.692, subdivisions 2, 5, 7, by adding a subdivision; 256B.694; 256B.76, subdivision 4; 256D.05, subdivision 1; 256D.06, subdivisions 1, 1b; 256D.09, subdivision 6; 256D.44, subdivision 5; 256D.49, subdivision 3; 256G.02, subdivision 6; 256I.04, subdivision 2b; 256I.05, subdivision 1a; 256J.20, subdivision 3; 256J.38, subdivision 1; 256J.53, subdivision 2; 256L.01, subdivision 4a; 256L.02, subdivision 3; 256L.03, subdivisions 3, 5; 256L.04, subdivisions 1, 7; 256L.05, subdivisions 2, 3a, 5, by adding a subdivision; 256L.07, subdivision 1; 256L.09, subdivision 4; 256L.11, subdivision 7; 256L.12, subdivision 9; 256L.15, subdivision 1a; 260C.157, subdivision 3; 260D.01; 297F.10, subdivision 1; 326B.175; 364.09; 393.07, subdivisions 10, 10a; 402A.10, subdivisions 4, 5; 402A.15; 402A.18; 402A.20; Laws 2008, chapter 363, article 18, section 3, subdivision 5; Laws 2009, chapter 79, article 8, sections 4, as amended; 51, as amended; article 13, section 3, subdivision 8, as amended; Laws 2010, chapter 349, sections 1; 2; Laws 2010, First Special Session chapter 1, article 15, section 3, subdivision 6; article 25, section 3, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 62E; 62J; 62U; 119B; 137; 144; 145; 148; 151; 214; 256; 256B; 256D; 256L; 326B; 402A; repealing Minnesota Statutes 2010, sections 62J.07, subdivisions 1, 2, 3; 62J.17, subdivisions 1, 3, 5a, 6a, 8; 62J.321, subdivision 5a; 62J.381; 62J.41, subdivisions 1, 2; 144.1464; 145A.14, subdivisions 1, 2; 150A.22; 256.01, subdivision 2b; 256.979, subdivisions 5, 6, 7, 10; 256.9791; 256.9862, subdivision 2; 256B.055, subdivision 15; 256B.057, subdivision 2c; 256B.0756; 256I.05, subdivisions 1d, 1e, 1f, 1g, 1h, 1i, 1j, 1k, 1l, 1m, 1n; 256L.07, subdivision 7; 402A.30; 402A.45; Laws 2008, chapter 358, article 3, sections 8; 9; Laws 2009, chapter 79, article 3, section 18, as amended; article 5, sections 55, as amended; 56; 57; 60; 61; 62; 63; 64; 65; 66; 68; 69; 79; Laws 2010, First Special Session chapter 1, article 16, sections 6; 7; Minnesota Rules, parts 3400.0130, subpart 8; 4651.0100, subparts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 16a, 18, 19, 20, 20a, 21, 22, 23; 4651.0110, subparts 2, 2a, 3, 4, 5; 4651.0120; 4651.0130; 4651.0140; 4651.0150; 6310.3100, subpart 2; 6310.3600; 6310.3700, subpart 1; 9500.1243, subpart 3."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Holberg from the Committee on Ways and Means to which was referred:

S. F. No. 887, A bill for an act relating to state government; appropriating money for jobs, economic development, and housing; modifying certain programs; modifying fees and licensing, registration, and continuing education provisions; amending Minnesota Statutes 2010, sections 116J.035, by adding a subdivision; 116J.8737, subdivisions 1, 2, 4; 116L.04, subdivision 1; 181.723, subdivision 5; 182.6553, subdivision 6; 326B.04, subdivision 2; 326B.091; 326B.098; 326B.13, subdivision 8; 326B.148, subdivision 1; 326B.42, subdivisions 8, 9, 10, by adding

subdivisions; 326B.435, subdivision 2; 326B.438; 326B.46, subdivisions 1a, 1b, 2, 3; 326B.47, subdivisions 1, 3; 326B.49, subdivision 1; 326B.56, subdivision 1; 326B.58; 326B.82, subdivisions 2, 3, 7, 9; 326B.821, subdivisions 1, 5, 5a, 6, 7, 8, 9, 10, 11, 12, 15, 16, 18, 19, 20, 22, 23; 326B.865; 326B.89, subdivisions 6, 8; 327.32, subdivisions 1a, 1b, 1e; 327.33, subdivisions 1, 2; 341.321; Laws 2009, chapter 78, article 1, section 18; proposing coding for new law in Minnesota Statutes, chapter 326B; repealing Minnesota Statutes 2010, sections 326B.82, subdivisions 4, 6; 326B.821, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
JOBS, ECONOMIC DEVELOPMENT, AND HOUSING APPROPRIATIONS

Section 1. **JOBS, ECONOMIC DEVELOPMENT, AND HOUSING APPROPRIATIONS.**

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

	<u>2012</u>	<u>2013</u>	<u>Total</u>
<u>General</u>	\$80,090,000	\$77,758,000	\$157,848,000
<u>Workforce Development</u>	14,151,000	14,151,000	28,302,000
<u>Remediation</u>	700,000	700,000	1,400,000
<u>Workers' Compensation</u>	22,574,000	22,574,000	45,148,000
<u>Total</u>	<u>\$117,515,000</u>	<u>\$115,183,000</u>	<u>\$232,698,000</u>

Sec. 2. **JOBS, ECONOMIC DEVELOPMENT, AND HOUSING.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2012" and "2013" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2012, or June 30, 2013, respectively. "The first year" is fiscal year 2012. "The second year" is fiscal year 2013. "The biennium" is fiscal years 2012 and 2013.

APPROPRIATIONS
Available for the Year
Ending June 30

<u>2012</u>	<u>2013</u>
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Sec. 3. **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

Subdivision 1. <u>Total Appropriation</u>	<u>\$53,044,000</u>	<u>\$50,819,000</u>
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Appropriations by Fund

	<u>2012</u>	<u>2013</u>
<u>General</u>	38,850,000	36,625,000
<u>Remediation</u>	700,000	700,000
<u>Workforce Development</u>	13,494,000	13,494,000

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

Subd. 2. Business and Community Development

9,166,000

6,941,000

Appropriations by Fund

<u>General</u>	<u>8,186,000</u>	<u>5,961,000</u>
<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
<u>Workforce Development</u>	<u>280,000</u>	<u>280,000</u>

(a) \$700,000 the first year and \$700,000 the second year are from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, section 116J.554. This appropriation is available until expended.

(b) \$970,000 the first year and \$970,000 the second year are from the general fund for contaminated site cleanup and development grants under Minnesota Statutes, section 116J.554.

(c) \$1,086,000 the first year and \$1,086,000 the second year are from the general fund for the Minnesota Trade Office.

(d) \$150,000 each year is from the general fund for a grant to WomenVenture for women's business development programs and for programs that encourage and assist women to enter nontraditional careers in the trades; manual and technical occupations; science, technology, engineering, and mathematics-related occupations; and green jobs. This appropriation may be matched dollar for dollar with any resources available from the federal government for these purposes with priority given to initiatives that have a goal of increasing by at least ten percent the number of women in occupations where women currently comprise less than 25 percent of the workforce.

(e) \$75,000 each year is from the general fund and \$40,000 each year is from the workforce development fund for a grant to the Metropolitan Economic Development Association for continuing minority business development programs in the metropolitan area. This appropriation must be used for the sole purpose of providing free or reduced fee business consulting services to minority entrepreneurs and contractors.

(f)(1) \$425,000 the first year is a onetime appropriation from the general fund for a grant to BioBusiness Alliance of Minnesota for bioscience business development programs to promote and position the state as a global leader in bioscience business activities. These funds may be used to create, recruit, retain, and expand biobusiness activity in Minnesota; implement the destination 2025 statewide plan; update a statewide assessment of the bioscience industry and the competitive position of Minnesota-

based bioscience businesses relative to other states and other nations; and develop and implement business and scenario-planning models to create, recruit, retain, and expand biobusiness activity in Minnesota.

(2) The BioBusiness Alliance must report each year by February 15 to the committees of the house of representatives and the senate having jurisdiction over bioscience industry activity in Minnesota on the use of funds; the number of bioscience businesses and jobs created, recruited, retained, or expanded in the state since the last reporting period; the competitive position of the biobusiness industry; and utilization rates and results of the business and scenario-planning models and outcomes resulting from utilization of the business and scenario-planning models.

(g) \$50,000 the first year is from the general fund for a grant to the Minnesota Inventors Congress, of which at least \$5,000 must be used for youth inventors. This is a onetime appropriation.

(h)(1) \$90,000 each year is from the workforce development fund for a grant under Minnesota Statutes, section 116J.421, to the Rural Policy and Development Center at St. Peter, Minnesota. The grant shall be used for research and policy analysis on emerging economic and social issues in rural Minnesota, to serve as a policy resource center for rural Minnesota communities, to encourage collaboration across higher education institutions, to provide interdisciplinary team approaches to research and problem-solving in rural communities, and to administer overall operations of the center.

(2) The grant shall be provided upon the condition that each state-appropriated dollar be matched with a nonstate dollar. Acceptable matching funds are nonstate contributions that the center has received and have not been used to match previous state grants. Any funds not spent the first year are available the second year.

(i)(1) \$150,000 each year is appropriated from the workforce development fund for grants of \$50,000 to eligible organizations each year to assist in the development of entrepreneurs and small businesses. Each state grant dollar must be matched with \$1 of nonstate funds. Any balance in the first year does not cancel but is available in the second year.

(2) Three grants must be awarded to continue or to develop a program. One grant must be awarded to the Riverbend Center for Entrepreneurial Facilitation in Blue Earth County, and two to other organizations serving Faribault and Martin Counties. Grant recipients must report to the commissioner by February 1 of each year that the organization receives a grant with the number of customers served; the number of businesses started, stabilized, or expanded; the number of jobs created and retained; and business

success rates. The commissioner must report to the house of representatives and senate committees with jurisdiction over economic development finance on the effectiveness of these programs for assisting in the development of entrepreneurs and small businesses.

(j) \$1,000,000 the first year is from the general fund for the Minnesota Investment Fund under Minnesota Statutes, section 116J.8731. The appropriation is available until spent. This is a onetime appropriation and is not added to the agency's base.

(k) \$750,000 the first year is from the general fund for the redevelopment account under Minnesota Statutes, section 116J.571. This is a onetime appropriation and is available until spent.

Subd. 3. Workforce Development

43,020,000

43,020,000

Appropriations by Fund

<u>General</u>	<u>29,806,000</u>	<u>29,806,000</u>
<u>Workforce Development</u>	<u>13,214,000</u>	<u>13,214,000</u>

(a) \$3,728,000 each year is from the general fund for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until spent.

(b) \$10,800,000 each year is from the general fund for the state's vocational rehabilitation program under Minnesota Statutes, chapter 268A.

(c) \$5,928,000 each year is from the general fund for the state services for the blind activities.

(d) \$2,150,000 each year is from the general fund for grants to centers for independent living under Minnesota Statutes, section 268A.11.

(e) \$315,000 each year is from the general fund and \$105,000 each year is from the workforce development fund for a grant under Minnesota Statutes, section 116J.8747, to Twin Cities RISE! to provide training to hard-to-train individuals. Funds unexpended in the first year are available for expenditure in the second year.

(f) \$100,000 each year is from the general fund for a grant to Northern Connections in Perham to implement and operate a workforce program that provides one-stop supportive services to individuals as they transition into the workforce.

(g) \$5,091,000 each year is from the general fund and \$6,527,000 each year is from the workforce development fund for extended employment services for persons with severe disabilities or related conditions under Minnesota Statutes, section 268A.15. Of the general fund appropriation, \$125,000 each year is to supplement funds paid for wage incentives for the community support fund established in Minnesota Rules, part 3300.2045.

(h) \$1,479,000 each year is from the general fund for grants to programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14. Grants may be used for special projects for young people with mental illness transitioning from school to work and people with serious mental illness receiving services through a mental health court or civil commitment court. Special projects must demonstrate interagency collaboration.

(i) \$135,000 each year is from the general fund and \$163,000 each year is from the workforce development fund for a grant under Minnesota Statutes, section 268A.03, to Rise, Inc. for the Minnesota Employment Center for People Who are Deaf or Hard of Hearing. Money not expended the first year is available the second year.

(j) \$80,000 each year is from the general fund and \$160,000 each year is from the workforce development fund for a grant to Lifetrack Resources for its immigrant and refugee collaborative program, including those related to job-seeking skills and workplace orientation, intensive job development, functional work English, and on-site job coaching. This appropriation may also be used in Rochester.

(k) \$1,100,000 each year is from the workforce development fund for the Opportunities Industrialization Center programs. The OIC state council must not be colocated with the Department of Employment and Economic Development.

(l) \$2,450,000 the first year is a onetime appropriation from the workforce development fund for the Minnesota youth program under Minnesota Statutes, sections 116L.56 and 116L.561.

(m) \$630,000 the first year is a onetime appropriation from the workforce development fund for grants for the Minneapolis summer youth employment program. The commissioner shall establish criteria for awarding the grant.

Of this appropriation, 25 percent is for a grant to the Minneapolis learn-to-earn summer youth employment program.

(n) \$750,000 the first year is a onetime appropriation from the workforce development fund for a grant to the Minnesota Alliance of Boys and Girls Clubs to administer a statewide project of youth jobs skills development. This project, which may have career guidance components, including health and life skills, is to encourage, train, and assist youth in job-seeking skills, workplace orientation, and job-site knowledge through coaching. This grant requires a 25 percent match from nonstate resources. The Alliance may work collaboratively with the Minneapolis Park Board for summer youth employment programming.

(o) \$391,000 the first year is a onetime appropriation from the workforce development fund for grants to fund summer youth employment in St. Paul. The commissioner shall establish criteria for awarding the grant.

(p) \$700,000 the first year is a onetime appropriation from the workforce development fund for the youthbuild program under Minnesota Statutes, sections 116L.361 to 116L.366.

(q) \$238,000 the first year is a onetime appropriation from the workforce development fund for grants to provide interpreters for a regional transition program that specializes in providing culturally appropriate transition services leading to employment for deaf, hard-of-hearing, and deafblind students.

(r) \$5,159,000 the second year is from the workforce development fund for the youth workforce development competitive grant pilot program. The commissioner shall develop and implement a competitive grant program to provide workforce training services to youth in Minnesota. Of this amount, up to five percent is for administering and monitoring this program. The commissioner shall report by October 15, 2011, to the standing committees of the senate and house of representatives having jurisdiction over workforce development issues on program parameters and criteria developed for the competitive grants under this paragraph. This appropriation is added to the agency's base.

Subd. 4. **State-Funded Administration**

858,000

858,000

Sec. 4. **HOUSING FINANCE AGENCY**

Subdivision 1. **Total Appropriation**

\$36,251,000

\$36,251,000

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

This appropriation is for transfer to the housing development fund for the programs specified. Except as otherwise indicated, this transfer is part of the agency's permanent budget base.

Subd. 2. Challenge Program7,059,0007,059,000

For the economic development and housing challenge program under Minnesota Statutes, section 462A.33. Of this amount, \$1,208,000 each year shall be made available during the first eight months of the fiscal year exclusively for housing projects for American Indians. Any funds not committed to housing projects for American Indians in the first eight months of the fiscal year shall be available for any eligible activity under Minnesota Statutes, section 462A.33.

Subd. 3. Housing Trust Fund8,305,0008,305,000

For deposit in the housing trust fund account, for the purposes provided under Minnesota Statutes, section 462A.201.

Subd. 4. Rental Assistance for Mentally Ill2,638,0002,638,000

For the rental housing assistance program for persons with a mental illness or families with an adult member with a mental illness under Minnesota Statutes, section 462A.2097.

Subd. 5. Family Homeless Prevention7,465,0007,465,000

For the family homeless prevention and assistance programs under Minnesota Statutes, section 462A.204.

Subd. 6. Home Ownership Assistance Fund797,000797,000

For the home ownership assistance program under Minnesota Statutes, section 462A.21, subdivision 8. The annual interest rate on loans provided under Minnesota Statutes, section 462A.21, subdivision 8, must equal two percent.

Subd. 7. Affordable Rental Investment Fund6,813,0006,813,000

(a) For the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b. The appropriation is to finance the acquisition, rehabilitation, and debt restructuring of federally assisted rental property and for making equity take-out loans under Minnesota Statutes, section 462A.05, subdivision 39.

(b) The owner of federally assisted rental property must agree to participate in the applicable federally assisted housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted. The owner must also enter into an agreement that gives local units of government, housing and redevelopment authorities, and nonprofit housing organizations the right of first refusal if the rental property is offered for sale. Priority must be given among comparable

federally assisted rental properties to properties with the longest remaining term under an agreement for federal assistance. Priority must also be given among comparable rental housing developments to developments that are or will be owned by local government units, a housing and redevelopment authority, or a nonprofit housing organization.

(c) The appropriation also may be used to finance the acquisition, rehabilitation, and debt restructuring of existing supportive housing properties. For purposes of this subdivision, "supportive housing" means affordable rental housing with links to services necessary for individuals, youth, and families with children to maintain housing stability.

Subd. 8. Housing Rehabilitation 2,449,000 2,449,000

For the housing rehabilitation program under Minnesota Statutes, section 462A.05, subdivision 14, for rental housing developments.

Subd. 9. Homeownership Education, Counseling, and Training 600,000 600,000

For the homeownership education, counseling, and training program under Minnesota Statutes, section 462A.209. Notwithstanding Minnesota Statutes, section 462A.209, subdivision 7, paragraph (b), more than one-half of the funds awarded for foreclosure prevention and assistance activities may be used for mortgage or financial counseling services.

Subd. 10. Capacity-Building Grants 125,000 125,000

For nonprofit capacity-building grants under Minnesota Statutes, section 462A.21, subdivision 3b.

Sec. 5. DEPARTMENT OF LABOR AND INDUSTRY

Subdivision 1. Total Appropriation **\$22,328,000** **\$22,328,000**

Appropriations by Fund

	<u>2012</u>	<u>2013</u>
General	<u>800,000</u>	<u>800,000</u>
Workers' Compensation	<u>20,871,000</u>	<u>20,871,000</u>
Workforce Development	<u>657,000</u>	<u>657,000</u>

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

Subd. 2. Workers' Compensation 14,832,000 14,832,000

This appropriation is from the workers' compensation fund.

\$200,000 each year is for grants to the Vinland Center for rehabilitation services. Grants shall be distributed as the department refers injured workers to the Vinland Center for rehabilitation services.

Subd. 3. Labor Standards and Apprenticeship 1,457,000 1,457,000

Appropriations by Fund

<u>General</u>	<u>800,000</u>	<u>800,000</u>
<u>Workforce Development</u>	<u>657,000</u>	<u>657,000</u>

\$657,000 each year is appropriated from the workforce development fund for the apprenticeship program under Minnesota Statutes, chapter 178.

Subd. 4. General Support 6,039,000 6,039,000

This appropriation is from the workers' compensation fund.

Sec. 6. BUREAU OF MEDIATION SERVICES

Subdivision 1. Total Appropriation **\$1,525,000** **\$1,525,000**

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

Subd. 2. Mediation Services 1,471,000 1,471,000

Subd. 3. Labor Management Cooperation Grants 54,000 54,000

\$54,000 each year is for grants to area labor management committees. Grants may be awarded for a 12-month period beginning July 1 each year. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.

Sec. 7. WORKERS' COMPENSATION COURT OF APPEALS **\$1,703,000** **\$1,703,000**

This appropriation is from the workers' compensation fund.

Sec. 8. BOARD OF ACCOUNTANCY **\$480,000** **\$480,000**

Sec. 9. BOARD OF ARCHITECTURE, ENGINEERING, LAND SURVEYING, LANDSCAPE ARCHITECTURE, GEOSCIENCE, AND INTERIOR DESIGN **\$774,000** **\$774,000**

Sec. 10. BOARD OF COSMETOLOGIST EXAMINERS **\$1,046,000** **\$1,046,000**

Sec. 11. BOARD OF BARBER EXAMINERS **\$257,000** **\$257,000**

Sec. 12. **MINNESOTA SCIENCE AND TECHNOLOGY
AUTHORITY**

\$107,000

\$0

This is a onetime appropriation.

Sec. 13. **TRANSFERS**

Prior to June 30, 2012, the commissioner of iron range resources shall transfer \$60,000,000 from the Douglas J. Johnson Economic Protection Trust to the general fund. This is a onetime transfer.

The unexpended balance, estimated to be \$1,575,000, of funds collected for unemployment insurance state administration under Minnesota Statutes, section 268.18, subdivision 2, is transferred to the general fund.

ARTICLE 2
ECONOMIC DEVELOPMENT AND MISCELLANEOUS PROVISIONS

Section 1. Minnesota Statutes 2010, section 116J.035, is amended by adding a subdivision to read:

Subd. 7. **Monitoring pass-through grant recipients.** The commissioner shall monitor the activities and outcomes of programs and services funded by legislative appropriations and administered by the department on a pass-through basis. Unless amounts are otherwise appropriated for administrative costs, the commissioner may retain up to five percent of the amount appropriated to the department for grants to pass-through entities. Amounts retained are deposited to a special revenue account and are appropriated to the commissioner for costs incurred in administering and monitoring the pass-through grants.

Sec. 2. Minnesota Statutes 2010, section 116J.8737, subdivision 1, is amended to read:

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

(b) "Qualified small business" means a business that has been certified by the commissioner under subdivision 2.

(c) "Qualified investor" means an investor who has been certified by the commissioner under subdivision 3.

(d) "Qualified fund" means a pooled angel investment network fund that has been certified by the commissioner under subdivision 4.

(e) "Qualified investment" means a cash investment in a qualified small business of a minimum of:

(1) \$10,000 in a calendar year by a qualified investor; or

(2) \$30,000 in a calendar year by a qualified fund.

A qualified investment must be made in exchange for common stock, a partnership or membership interest, preferred stock, debt with mandatory conversion to equity, or an equivalent ownership interest as determined by the commissioner.

(f) "Family" means a family member within the meaning of the Internal Revenue Code, section 267(c)(4).

(g) "Pass-through entity" means a corporation that for the applicable taxable year is treated as an S corporation or a general partnership, limited partnership, limited liability partnership, trust, or limited liability company and which for the applicable taxable year is not taxed as a corporation under chapter 290.

(h) "Intern" means a student of an accredited institution of higher education, or a former student who has graduated in the past six months from an accredited institution of higher education, who is employed by a qualified small business in a nonpermanent position for a duration of nine months or less that provides training and experience in the primary business activity of the business.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2011.

Sec. 3. Minnesota Statutes 2010, section 116J.8737, subdivision 2, is amended to read:

Subd. 2. **Certification of qualified small businesses.** (a) Businesses may apply to the commissioner for certification as a qualified small business for a calendar year. The application must be in the form and be made under the procedures specified by the commissioner, accompanied by an application fee of \$150. Application fees are deposited in the small business investment tax credit administration account in the special revenue fund. The application for certification for 2010 must be made available on the department's Web site by August 1, 2010. Applications for subsequent years' certification must be made available on the department's Web site by November 1 of the preceding year.

(b) Within 30 days of receiving an application for certification under this subdivision, the commissioner must either certify the business as satisfying the conditions required of a qualified small business, request additional information from the business, or reject the application for certification. If the commissioner requests additional information from the business, the commissioner must either certify the business or reject the application within 30 days of receiving the additional information. If the commissioner neither certifies the business nor rejects the application within 30 days of receiving the original application or within 30 days of receiving the additional information requested, whichever is later, then the application is deemed rejected, and the commissioner must refund the \$150 application fee. A business that applies for certification and is rejected may reapply.

(c) To receive certification, a business must satisfy all of the following conditions:

(1) the business has its headquarters in Minnesota;

(2) at least 51 percent of the business's employees are employed in Minnesota, and 51 percent of the business's total payroll is paid or incurred in the state;

(3) the business is engaged in, or is committed to engage in, innovation in Minnesota in one of the following as its primary business activity:

(i) using proprietary technology to add value to a product, process, or service in a qualified high-technology field;

(ii) researching or developing a proprietary product, process, or service in a qualified high-technology field; or

(iii) researching, developing, or producing a new proprietary technology for use in the fields of agriculture, tourism, forestry, mining, manufacturing, or transportation;

(4) other than the activities specifically listed in clause (3), the business is not engaged in real estate development, insurance, banking, lending, lobbying, political consulting, information technology consulting, wholesale or retail trade, leisure, hospitality, transportation, construction, ethanol production from corn, or professional services provided by attorneys, accountants, business consultants, physicians, or health care consultants;

(5) the business has fewer than 25 employees;

(6) the business must pay its employees annual wages of at least 175 percent of the federal poverty guideline for the year for a family of four and must pay its interns annual wages of at least 175 percent of the federal minimum wage used for federally covered employers, except that this requirement must be reduced proportionately for employees and interns who work less than full-time, and does not apply to an executive, officer, or member of the board of the business, or to any employee who owns, controls, or holds power to vote more than 20 percent of the outstanding securities of the business;

(7) the business has not been in operation for more than ten years;

(8) the business has not previously received private equity investments of more than ~~\$2,000,000~~ \$4,000,000; and

(9) the business is not an entity disqualified under section 80A.50, paragraph (b), clause (3).

(d) In applying the limit under paragraph (c), clause (5), the employees in all members of the unitary business, as defined in section 290.17, subdivision 4, must be included.

(e) In order for a qualified investment in a business to be eligible for tax credits, the business must have applied for and received certification for the calendar year in which the investment was made prior to the date on which the qualified investment was made.

(f) The commissioner must maintain a list of businesses certified under this subdivision for the calendar year and make the list accessible to the public on the department's Web site.

(g) For purposes of this subdivision, the following terms have the meanings given:

(1) "qualified high-technology field" includes aerospace, agricultural processing, renewable energy, energy efficiency and conservation, environmental engineering, food technology, cellulosic ethanol, information technology, materials science technology, nanotechnology, telecommunications, biotechnology, medical device products, pharmaceuticals, diagnostics, biologicals, chemistry, veterinary science, and similar fields; and

(2) "proprietary technology" means the technical innovations that are unique and legally owned or licensed by a business and includes, without limitation, those innovations that are patented, patent pending, a subject of trade secrets, or copyrighted.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2011.

Sec. 4. Minnesota Statutes 2010, section 116J.8737, subdivision 4, is amended to read:

Subd. 4. **Certification of qualified funds.** (a) A pass-through entity may apply to the commissioner for certification as a qualified fund for a calendar year. The application must be in the form and be made under the procedures specified by the commissioner, accompanied by an application fee of \$1,000. Application fees are deposited in the small business investment tax credit administration account in the special revenue fund. The application for certification for 2010 of qualified funds must be made available on the department's Web site by August 1, 2010. Applications for subsequent years' certification must be made available by November 1 of the preceding year.

(b) Within 30 days of receiving an application for certification under this subdivision, the commissioner must either certify the fund as satisfying the conditions required of a qualified fund, request additional information from the fund, or reject the application for certification. If the commissioner requests additional information from the

fund, the commissioner must either certify the fund or reject the application within 30 days of receiving the additional information. If the commissioner neither certifies the fund nor rejects the application within 30 days of receiving the original application or within 30 days of receiving the additional information requested, whichever is later, then the application is deemed rejected, and the commissioner must refund the \$1,000 application fee. A fund that applies for certification and is rejected may reapply.

(c) To receive certification, a fund must:

(1) invest or intend to invest in qualified small businesses;

(2) be organized as a pass-through entity; and

(3) have at least three separate investors, ~~all~~ of whom at least three whose investment is made in the certified business and who seek a tax credit allocation satisfy the conditions in subdivision 3, paragraph (c).

(d) Investments in the fund may consist of equity investments or notes that pay interest or other fixed amounts, or any combination of both.

(e) In order for a qualified investment in a qualified small business to be eligible for tax credits, a qualified fund that makes the investment must have applied for and received certification for the calendar year prior to making the qualified investment.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2011.

Sec. 5. Minnesota Statutes 2010, section 116L.3625, is amended to read:

116L.3625 ADMINISTRATIVE COSTS.

The commissioner may use up to five percent of the biennial appropriation for Youthbuild ~~from the general fund~~ to pay costs incurred by the department in administering Youthbuild during the biennium.

Sec. 6. Minnesota Statutes 2010, section 116L.62, is amended to read:

116L.62 DISTRIBUTION AND USE OF STATE MONEY.

The commissioner shall distribute the money appropriated for:

(a) comprehensive job training and related services or job opportunities programs for economically disadvantaged, unemployed, and underemployed individuals, including persons of limited English speaking ability, through opportunities industrialization centers; and

(b) the establishment and operation in Minnesota of these centers.

The commissioner may use up to five percent of the appropriation for opportunities industrialization center programs to pay costs incurred by the department in administering the programs.

Comprehensive job training and related services include: recruitment, counseling, remediation, motivational prejob training, vocational training, job development, job placement, and other appropriate services enabling individuals to secure and retain employment at their maximum capacity.

Sec. 7. Minnesota Statutes 2010, section 154.06, is amended to read:

154.06 WHO MAY RECEIVE CERTIFICATES OF REGISTRATION AS A REGISTERED APPRENTICE.

Subdivision 1. Qualifications; duration or registration. (a) A person is qualified to receive a certificate of registration as a registered apprentice:

- (1) who has completed at least ten grades of an approved school;
- (2) who has graduated from a barber school approved by the board; and
- (3) who has passed an examination conducted by the board to determine fitness to practice as a registered apprentice.

(b) An applicant for a certificate of registration to practice as an apprentice who fails to pass the examination conducted by the board is required to complete a further course of study of at least 500 hours, of not more than eight hours in any one working day, in a barber school approved by the board.

(c) A certificate of registration of an apprentice shall be valid for four years from the date the certificate of registration is issued by the board and shall not be renewed. During the four-year period the certificate of registration shall remain in full force and effect only if the apprentice complies with all the provisions of sections 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26, including the payment of an annual fee, and the rules of the board.

Subd. 2. Limited extension of registration. (a) If a registered apprentice, during the term in which the certificate of registration is in effect, enters full-time active duty in the armed forces of the United States of America, the expiration date of the certificate of registration shall be extended by a period of time equal to the period or periods of active duty.

(b) The expiration date of a certificate issued to a person while incarcerated shall be extended once so that it expires four years from the date of first release from a correctional facility after the person becomes a registered apprentice. This paragraph applies when a person graduates from a barber school approved by the board and is issued a certificate of registration while incarcerated by the Department of Corrections or the Federal Bureau of Prisons.

Sec. 8. Minnesota Statutes 2010, section 154.065, subdivision 2, is amended to read:

Subd. 2. **Qualifications.** A person is qualified to receive a certificate of registration as an instructor of barbering who:

(1) is a graduate from an approved high school, or its equivalent, as determined by examination by the Department of Education;

(2) ~~has qualified for a teacher's or instructor's vocational certificate;~~ successfully completed instructor barber training from a board-approved program of not less than 40 clock hours, or completed a college or university program resulting in a technical or vocational education certificate or its equivalent, issued by an accredited college or university and approved by the board;

(3) is currently a registered barber in this state and has at least three years experience as a registered barber in this state, or its equivalent as determined by the board; and

(4) has passed an examination conducted by the board to determine fitness to instruct in barbering.

~~A certificate of registration under this section is provisional until a teacher's or instructor's vocational certificate has been issued by the Department of Education. A provisional certificate of registration is valid for 30 days and is not renewable.~~

Sec. 9. Minnesota Statutes 2010, section 154.08, is amended to read:

154.08 APPLICATION; FEE.

Each applicant for an examination shall:

(1) make application to the Board of Barber Examiners on blank forms prepared and furnished by it, the application to contain proof under the applicant's oath of the particular qualifications and identity of the applicant;

~~(2) furnish to the board two five inch x three inch signed photographs of the applicant, one to accompany the application and one to be returned to the applicant, to be presented to the board when the applicant appears for examination; present a government-issued picture identification as proof of identity when the applicant appears for examination;~~ and

(3) pay to the board the required fee.

Sec. 10. Minnesota Statutes 2010, section 154.11, subdivision 1, is amended to read:

Subdivision 1. **Examination of nonresidents.** A person who meets all of the requirements for barber registration in sections 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26 and either has a license, certificate of registration, or an equivalent as a practicing barber or instructor of barbering from another state or country which in the discretion of the board has substantially the same requirements for registering barbers and instructors of barbering as required by sections 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26 or can prove by sworn affidavits practice as a barber or instructor of barbering in another state or country for at least five years immediately prior to making application in this state, shall, upon payment of the required fee, be issued a certificate of registration without examination, ~~provided that the other state or country grants the same privileges to holders of Minnesota certificates of registration.~~

Sec. 11. Minnesota Statutes 2010, section 154.12, is amended to read:

154.12 EXAMINATION OF NONRESIDENT APPRENTICES.

A person who meets all of the requirements for registration as a barber in sections 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26 and who has a license, a certificate of registration, or its equivalent as an apprentice in a state or country which in the discretion of the board has substantially the same requirements for registration as an apprentice as is provided by sections 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26, shall, upon payment of the required fee, be issued a certificate of registration without examination, ~~provided that the other state or country grants the same privileges to holders of Minnesota certificates of registration.~~

Sec. 12. Minnesota Statutes 2010, section 268.18, subdivision 2, is amended to read:

Subd. 2. **Overpayment because of fraud.** (a) Any applicant who receives unemployment benefits by knowingly misrepresenting, misstating, or failing to disclose any material fact, or who makes a false statement or representation without a good faith belief as to the correctness of the statement or representation, has committed

fraud. After the discovery of facts indicating fraud, the commissioner must make a determination that the applicant obtained unemployment benefits by fraud and that the applicant must promptly repay the unemployment benefits to the trust fund. In addition, the commissioner must assess a penalty equal to 40 percent of the amount fraudulently obtained. This penalty is in addition to penalties under section 268.182.

(b) Unless the applicant files an appeal within 20 calendar days after the sending of the determination of overpayment by fraud to the applicant by mail or electronic transmission, the determination is final. Proceedings on the appeal are conducted in accordance with section 268.105.

(c) If the applicant fails to repay the unemployment benefits, penalty, and interest assessed, the total due may be collected by the methods allowed under state and federal law. A determination of overpayment by fraud must state the methods of collection the commissioner may use to recover the overpayment. Money received in repayment of fraudulently obtained unemployment benefits, penalties, and interest is first applied to the unemployment benefits overpaid, then to the penalty amount due, then to any interest due. ~~62.5 percent of the~~ Payments made toward the penalty are credited to the contingent account ~~and 37.5 percent credited to the administration account.~~

(d) If an applicant has been overpaid unemployment benefits under the law of another state because of fraud and that state certifies that the applicant is liable to repay the unemployment benefits and requests the commissioner to recover the overpayment, the commissioner may offset from future unemployment benefits otherwise payable the amount of overpayment.

(e) Unemployment benefits paid for weeks more than four years before the date of a determination of overpayment by fraud issued under this subdivision are not considered overpaid unemployment benefits.

Sec. 13. Minnesota Statutes 2010, section 268.18, subdivision 2b, is amended to read:

Subd. 2b. **Interest.** (a) On any unemployment benefits fraudulently obtained, and any penalty amounts assessed under subdivision 2, the commissioner must assess interest at the rate of 1-1/2 percent per month on any amount that remains unpaid beginning 30 calendar days after the date of the determination of overpayment by fraud. A determination of overpayment by fraud must state that interest will be assessed.

(b) If the determination did not state that interest will be assessed, interest is assessed beginning 30 calendar days after notification, by mail or electronic transmission, to the applicant that interest is now assessed.

(c) Interest payments under this section are credited to the ~~administration~~ contingent account.

Sec. 14. Minnesota Statutes 2010, section 268.199, is amended to read:

268.199 CONTINGENT ACCOUNT.

(a) There is created in the state treasury a special account, to be known as the contingent account, ~~that does not lapse nor revert to any other fund or account.~~ This account consists of all money collected under this chapter that is required to be placed in this account and any interest earned on the account. ~~All money in this account is appropriated and available for administration of the Minnesota unemployment insurance program unless otherwise appropriated by session law.~~

(b) All money in this account must be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as is provided by law for the other special accounts in the state treasury.

(c) Beginning in fiscal year 2012 and each fiscal year thereafter, all money in the account shall be transferred to the general fund before the closing of the fiscal year.

Sec. 15. Minnesota Statutes 2010, section 298.17, is amended to read:

298.17 OCCUPATION TAXES TO BE APPORTIONED.

All occupation taxes paid by persons, copartnerships, companies, joint stock companies, corporations, and associations, however or for whatever purpose organized, engaged in the business of mining or producing iron ore or other ores, when collected shall be apportioned and distributed in accordance with the Constitution of the state of Minnesota, article X, section 3, in the manner following: 90 percent shall be deposited in the state treasury and credited to the general fund of which four-ninths shall be used for the support of elementary and secondary schools; and ten percent of the proceeds of the tax imposed by this section shall be deposited in the state treasury and credited to the general fund for the general support of the university. ~~Of the moneys apportioned to the general fund by this section there is annually appropriated and credited to the Iron Range Resources and Rehabilitation Board account in the special revenue fund an amount equal to that which would have been generated by a 1.5-cent tax imposed by section 298.24 on each taxable ton produced in the preceding calendar year, to be expended for the purposes of section 298.22. The money appropriated pursuant to this section shall be used (1) to provide environmental development grants to local governments located within any county in region 3 as defined in governor's executive order number 60, issued on June 12, 1970, which does not contain a municipality qualifying pursuant to section 273.134, paragraph (b), or (2) to provide economic development loans or grants to businesses located within any such county, provided that the county board or an advisory group appointed by the county board to provide recommendations on economic development shall make recommendations to the Iron Range Resources and Rehabilitation Board regarding the loans. Payment to the Iron Range Resources and Rehabilitation Board account shall be made by May 15 annually.~~

~~Of the money allocated to Koochiching County, one third must be paid to the Koochiching County Economic Development Commission.~~

Sec. 16. Minnesota Statutes 2010, section 341.321, is amended to read:

341.321 FEE SCHEDULE.

(a) The fee schedule for professional licenses issued by the commission is as follows:

- (1) referees, ~~\$25~~ \$45 for each initial license and each renewal;
- (2) promoters, \$400 for each initial license and each renewal;
- (3) judges and knockdown judges, ~~\$25~~ \$45 for each initial license and each renewal;
- (4) trainers, ~~\$25~~ \$45 for each initial license and each renewal;
- (5) ring announcers, ~~\$25~~ \$45 for each initial license and each renewal;
- (6) seconds, ~~\$25~~ \$45 for each initial license and each renewal;
- (7) timekeepers, ~~\$25~~ \$45 for each initial license and each renewal;
- (8) combatants, ~~\$25~~ \$45 for each initial license and each renewal;
- (9) managers, ~~\$25~~ \$45 for each initial license and each renewal; and
- (10) ringside physicians, ~~\$25~~ \$45 for each initial license and each renewal.

In addition to the license fee and the late filing penalty fee in section 341.32, subdivision 2, if applicable, an individual who applies for a ~~combatant~~ professional license on the same day the combative sporting event is held shall pay a late fee of \$100 plus the original license fee of \$45 at the time the application is submitted.

(b) The fee schedule for amateur licenses issued by the commission is as follows:

- (1) referees, ~~\$10~~ \$45 for each initial license and each renewal;
- (2) promoters, ~~\$100~~ \$400 for each initial license and each renewal;
- (3) judges and knockdown judges, ~~\$10~~ \$45 for each initial license and each renewal;
- (4) trainers, ~~\$10~~ \$45 for each initial license and each renewal;
- (5) ring announcers, ~~\$10~~ \$45 for each initial license and each renewal;
- (6) seconds, ~~\$10~~ \$45 for each initial license and each renewal;
- (7) timekeepers, ~~\$10~~ \$45 for each initial license and each renewal;
- (8) combatant, ~~\$10~~ \$25 for each initial license and each renewal;
- (9) managers, ~~\$10~~ \$45 for each initial license and each renewal; and
- (10) ringside physicians, ~~\$10~~ \$45 for each initial license and each renewal.

(c) The commission shall establish a contest fee for each combative sport contest. The professional combative sport contest fee is \$1,500 per event or not more than four percent of the gross ticket sales, whichever is greater, as determined by the commission when the combative sport contest is scheduled, except that the amateur combative sport contest fee shall be ~~\$150~~ \$500 or not more than four percent of the gross ticket sales, whichever is greater. The commission shall consider the size and type of venue when establishing a contest fee. The commission may establish the maximum number of complimentary tickets allowed for each event by rule. ~~At~~ A professional or amateur combative sport contest fee is nonrefundable.

(d) All fees and penalties collected by the commission must be deposited in the commission account in the special revenue fund.

Sec. 17. Laws 2009, chapter 78, article 1, section 18, is amended to read:

Sec. 18. **COMBATIVE SPORTS COMMISSION** **\$80,000** **\$80,000**

This is a onetime appropriation. ~~The Combative Sports Commission expires on July 1, 2011, unless the commissioner of finance determines that the commission's projected expenditures for the fiscal biennium ending June 30, 2013, will not exceed the commission's projected revenues for the fiscal biennium ending June 30, 2013, from fees and penalties authorized in Minnesota Statutes 2008, chapter 341.~~

ARTICLE 3
LABOR AND INDUSTRY

Section 1. Minnesota Statutes 2010, section 181.723, subdivision 5, is amended to read:

Subd. 5. **Application.** To obtain an independent contractor exemption certificate, the individual must submit, in the manner prescribed by the commissioner, a complete application and the certificate fee required under subdivision 14.

(a) A complete application must include all of the following information:

(1) the individual's full name;

(2) the individual's residence address and telephone number;

(3) the individual's business name, address, and telephone number;

(4) the services for which the individual is seeking an independent contractor exemption certificate;

(5) the individual's Social Security number;

(6) the individual's or the individual's business federal employer identification number, if a number has been issued to the individual or the individual's business;

(7) any information or documentation that the commissioner requires by rule that will assist the department in determining whether to grant or deny the individual's application; and

(8) the individual's sworn statement that the individual meets all of the following conditions:

(i) maintains a separate business with the individual's own office, equipment, materials, and other facilities;

(ii) holds or has applied for a federal employer identification number or has filed business or self-employment income tax returns with the federal Internal Revenue Service if the person has performed services in the previous year for which the individual is seeking the independent contractor exemption certificate;

(iii) operates under contracts to perform specific services for specific amounts of money and under which the individual controls the means of performing the services;

(iv) incurs the main expenses related to the service that the individual performs under contract;

(v) is responsible for the satisfactory completion of services that the individual contracts to perform and is liable for a failure to complete the service;

(vi) receives compensation for service performed under a contract on a commission or per-job or competitive bid basis and not on any other basis;

(vii) may realize a profit or suffer a loss under contracts to perform service;

(viii) has continuing or recurring business liabilities or obligations; and

(ix) the success or failure of the individual's business depends on the relationship of business receipts to expenditures.

(b) Individuals who are applying for or renewing a residential building contractor or residential remodeler license under sections 326B.197, 326B.802, 326B.805, 326B.81, 326B.815, 326B.821 to 326B.86, 326B.87 to 326B.885, and 327B.041, and any rules promulgated pursuant thereto, may simultaneously apply for or renew an independent contractor exemption certificate. The commissioner shall create an application form that allows for the simultaneous application for both a residential building contractor or residential remodeler license and an independent contractor exemption certificate. If individuals simultaneously apply for or renew a residential building contractor or residential remodeler license and an independent contractor exemption certificate using the form created by the commissioner, individuals shall only be required to provide, in addition to the information required by section 326B.83 and rules promulgated pursuant thereto, the sworn statement required by paragraph (a), clause (8), and any additional information required by this subdivision that is not also required by section 326B.83 and any rules promulgated thereto. ~~When individuals submit a simultaneous application on the form created by the commissioner for both a residential building contractor or residential remodeler license and an independent contractor exemption certificate, the application fee shall be \$150.~~ An independent contractor exemption certificate that is in effect before March 1, 2009, shall remain in effect until March 1, 2013, unless revoked by the commissioner or canceled by the individual.

(c) Within 30 days of receiving a complete application and the certificate fee, the commissioner must either grant or deny the application. The commissioner may deny an application for an independent contractor exemption certificate if the individual has not submitted a complete application and certificate fee or if the individual does not meet all of the conditions for holding the independent contractor exemption certificate. The commissioner may revoke an independent contractor exemption certificate if the commissioner determines that the individual no longer meets all of the conditions for holding the independent contractor exemption certificate, commits any of the actions set out in subdivision 7, or fails to cooperate with a department investigation into the continued validity of the individual's certificate. Once issued, an independent contractor exemption certificate remains in effect for four years unless:

- (1) revoked by the commissioner; or
- (2) canceled by the individual.

(d) If the department denies an individual's original or renewal application for an independent contractor exemption certificate or revokes an independent contractor exemption certificate, the commissioner shall issue to the individual an order denying or revoking the certificate. The commissioner may issue an administrative penalty order to an individual or person who commits any of the actions set out in subdivision 7. The commissioner may file and enforce the unpaid portion of a penalty as a judgment in district court without further notice or additional proceedings.

(e) An individual or person to whom the commissioner issues an order under paragraph (d) shall have 30 days after service of the order to request a hearing. The request for hearing must be in writing and must be served on or faxed to the commissioner at the address or facsimile number specified in the order by the 30th day after service of the order. If the individual does not request a hearing or if the individual's request for a hearing is not served on or faxed to the commissioner by the 30th day after service of the order, the order shall become a final order of the commissioner and will not be subject to review by any court or agency. The date on which a request for hearing is served by mail shall be the postmark date on the envelope in which the request for hearing is mailed. If the individual serves or faxes a timely request for hearing, the hearing shall be a contested case hearing and shall be held in accordance with chapter 14.

Sec. 2. Minnesota Statutes 2010, section 182.6553, subdivision 6, is amended to read:

Subd. 6. **Enforcement.** This section shall be enforced by the commissioner under ~~section~~ sections 182.66 and 182.661. A violation of this section is subject to the penalties provided under section 182.666.

Sec. 3. Minnesota Statutes 2010, section 326B.04, subdivision 2, is amended to read:

Subd. 2. **Deposits.** Unless otherwise specifically designated by law: (1) all money collected under sections 144.122, paragraph (f); 181.723; 326B.092 to 326B.096; 326B.101 to 326B.194; 326B.197; 326B.32 to 326B.399; 326B.43 to 326B.49; 326B.52 to 326B.59; 326B.802 to 326B.885; 326B.90 to 326B.998; 327.31 to 327.36; and 327B.01 to 327B.12, except penalties, is credited to the construction code fund; (2) all fees collected under ~~section 45.23~~ sections 326B.098 to 326B.099 in connection with continuing education for ~~residential contractors, residential remodelers, and residential roofers~~ any license, registration, or certificate issued pursuant to this chapter are credited to the construction code fund; and (3) all penalties assessed under the sections set forth in clauses (1) and (2) and all penalties assessed under sections 144.99 to 144.993 in connection with any violation of sections 326B.43 to 326B.49 or 326B.52 to 326B.59 or the rules adopted under those sections are credited to the assigned risk safety account established by section 79.253.

Sec. 4. Minnesota Statutes 2010, section 326B.091, is amended to read:

326B.091 DEFINITIONS.

Subdivision 1. **Applicability.** For purposes of sections 326B.091 to ~~326B.098~~ 326B.099, the terms defined in this section have the meanings given them.

Subd. 2. **Applicant.** "Applicant" means a person who has submitted to the department an application for ~~a~~ an initial or renewal license.

Subd. 3. **License.** "License" means any registration, certification, or other form of approval authorized by this chapter 326B and chapter 327B to be issued by the commissioner or department as a condition of doing business or conducting a trade, profession, or occupation in Minnesota. License includes specifically but not exclusively an authorization issued by the commissioner or department: to perform electrical work, plumbing or water conditioning work, high pressure piping work, or residential building work of a residential contractor, residential remodeler, or residential roofer; to install manufactured housing; to serve as a building official; or to operate a boiler or boat.

Subd. 4. **Licensee.** "Licensee" means the person named on the license as the person authorized to do business or conduct the trade, profession, or occupation in Minnesota.

Subd. 5. **Notification date.** "Notification date" means the date of the written notification from the department to an applicant that the applicant is qualified to take the examination required for licensure.

Subd. 5b. **Qualifying individual.** "Qualifying individual" means the individual responsible for obtaining continuing education on behalf of a residential building contractor, residential remodeler, or residential roofer licensed pursuant to sections 326B.801 to 326B.885.

Subd. 6. **Renewal deadline.** "Renewal deadline," when used with respect to a license, means 30 days before the date that the license expires.

Sec. 5. Minnesota Statutes 2010, section 326B.098, is amended to read:

326B.098 CONTINUING EDUCATION.

Subdivision 1. ~~Applicability~~ **Department seminars.** This section applies to seminars offered by the department for the purpose of ~~allowing~~ enabling licensees to meet continuing education requirements for license renewal.

Subd. 2. **Rescheduling.** An individual who is registered with the department to attend a seminar may reschedule one time only, to attend the same seminar on a date within one year after the date of the seminar the individual was registered to attend.

Subd. 3. **Fees nonrefundable.** All seminar fees paid to the department are nonrefundable except for any overpayment of fees or if the department cancels the seminar.

Sec. 6. **[326B.0981] CONTINUING EDUCATION; NONDEPARTMENT SEMINARS.**

This section applies to seminars that are offered by an entity other than the department for the purpose of enabling licensees to meet continuing education requirements for license renewal.

Sec. 7. Minnesota Statutes 2010, section 326B.13, subdivision 8, is amended to read:

Subd. 8. **Effective date of rules.** A rule to adopt or amend the State Building Code is effective 180 days after ~~the filing of the rule with the secretary of state under section 14.16 or 14.26~~ publication of the rule's notice of adoption in the State Register. The rule may provide for a later effective date. The rule may provide for an earlier effective date if the commissioner or board proposing the rule finds that an earlier effective date is necessary to protect public health and safety after considering, among other things, the need for time for training of individuals to comply with and enforce the rule.

Sec. 8. Minnesota Statutes 2010, section 326B.148, subdivision 1, is amended to read:

Subdivision 1. **Computation.** To defray the costs of administering sections 326B.101 to 326B.194, a surcharge is imposed on all permits issued by municipalities in connection with the construction of or addition or alteration to buildings and equipment or appurtenances after June 30, 1971. The commissioner may use any surplus in surcharge receipts to award grants for code research and development and education.

If the fee for the permit issued is fixed in amount the surcharge is equivalent to one-half mill (.0005) of the fee or 50 cents, except that effective July 1, 2010, until June 30, ~~2014~~ 2013, the permit surcharge is equivalent to one-half mill (.0005) of the fee or \$5, whichever amount is greater. For all other permits, the surcharge is as follows:

(1) if the valuation of the structure, addition, or alteration is \$1,000,000 or less, the surcharge is equivalent to one-half mill (.0005) of the valuation of the structure, addition, or alteration;

(2) if the valuation is greater than \$1,000,000, the surcharge is \$500 plus two-fifths mill (.0004) of the value between \$1,000,000 and \$2,000,000;

(3) if the valuation is greater than \$2,000,000, the surcharge is \$900 plus three-tenths mill (.0003) of the value between \$2,000,000 and \$3,000,000;

(4) if the valuation is greater than \$3,000,000, the surcharge is \$1,200 plus one-fifth mill (.0002) of the value between \$3,000,000 and \$4,000,000;

(5) if the valuation is greater than \$4,000,000, the surcharge is \$1,400 plus one-tenth mill (.0001) of the value between \$4,000,000 and \$5,000,000; and

(6) if the valuation exceeds \$5,000,000, the surcharge is \$1,500 plus one-twentieth mill (.00005) of the value that exceeds \$5,000,000.

Sec. 9. Minnesota Statutes 2010, section 326B.42, is amended by adding a subdivision to read:

Subd. 1b. **Backflow prevention rebuilder.** A "backflow prevention rebuilder" is an individual who is qualified by training prescribed by the Plumbing Board and possesses a master or journeyman plumber's license to engage in the testing, maintenance, and rebuilding of reduced pressure zone type backflow prevention assemblies as regulated by the plumbing code.

Sec. 10. Minnesota Statutes 2010, section 326B.42, is amended by adding a subdivision to read:

Subd. 1c. **Backflow prevention tester.** A "backflow prevention tester" is an individual who is qualified by training prescribed by the Plumbing Board to engage in the testing of reduced pressure zone type backflow prevention assemblies as regulated by the plumbing code.

Sec. 11. Minnesota Statutes 2010, section 326B.42, subdivision 8, is amended to read:

Subd. 8. **Plumbing contractor.** "Plumbing contractor" means a licensed contractor whose responsible ~~licensed plumber individual~~ is a licensed master plumber.

Sec. 12. Minnesota Statutes 2010, section 326B.42, subdivision 9, is amended to read:

Subd. 9. **Responsible licensed plumber individual.** A contractor's "responsible ~~licensed plumber individual~~" means the licensed master plumber or licensed restricted master plumber designated in writing by the contractor in the contractor's license application, or in another manner acceptable to the commissioner, as the individual responsible for the contractor's compliance with sections 326B.41 to 326B.49, all rules adopted under these sections and sections 326B.50 to 326B.59, and all orders issued under section 326B.082.

Sec. 13. Minnesota Statutes 2010, section 326B.42, subdivision 10, is amended to read:

Subd. 10. **Restricted plumbing contractor.** "Restricted plumbing contractor" means a licensed contractor whose responsible ~~licensed plumber individual~~ is a licensed restricted master plumber.

Sec. 14. Minnesota Statutes 2010, section 326B.435, subdivision 2, is amended to read:

Subd. 2. **Powers; duties; administrative support.** (a) The board shall have the power to:

(1) elect its chair, vice-chair, and secretary;

(2) adopt bylaws that specify the duties of its officers, the meeting dates of the board, and containing such other provisions as may be useful and necessary for the efficient conduct of the business of the board;

(3) adopt the plumbing code that must be followed in this state and any plumbing code amendments thereto. The plumbing code shall include the minimum standards described in sections 326B.43, subdivision 1, and 326B.52, subdivision 1. The board shall adopt the plumbing code and any amendments thereto pursuant to chapter 14 and as provided in subdivision 6, paragraphs (b), (c), and (d);

(4) review requests for final interpretations and issue final interpretations as provided in section 326B.127, subdivision 5;

(5) adopt rules that regulate the licensure, certification, or registration of plumbing contractors, journeymen, unlicensed individuals, master plumbers, restricted master plumbers, restricted journeymen, restricted plumbing contractors, backflow prevention rebuilders and testers, water conditioning contractors, and water conditioning installers, and other persons engaged in the design, installation, and alteration of plumbing systems or engaged in or working at the business of water conditioning installation or service, or engaged in or working at the business of medical gas system installation, maintenance, or repair, except for those individuals licensed under section 326.02, subdivisions 2 and 3. The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (e) and (f);

(6) adopt rules that regulate continuing education for individuals licensed as master plumbers, journeyman plumbers, restricted master plumbers, restricted journeyman plumbers, water conditioning contractors, and water conditioning installers, and for individuals certified under sections 326B.437 and 326B.438. The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (e) and (f);

(7) refer complaints or other communications to the commissioner, whether oral or written, as provided in subdivision 8, that allege or imply a violation of a statute, rule, or order that the commissioner has the authority to enforce pertaining to code compliance, licensure, or an offering to perform or performance of unlicensed plumbing services;

(8) approve per diem and expenses deemed necessary for its members as provided in subdivision 3;

(9) approve license reciprocity agreements;

(10) select from its members individuals to serve on any other state advisory council, board, or committee; and

(11) recommend the fees for licenses, registrations, and certifications.

Except for the powers granted to the Plumbing Board, the Board of Electricity, and the Board of High Pressure Piping Systems, the commissioner of labor and industry shall administer and enforce the provisions of this chapter and any rules promulgated pursuant thereto.

(b) The board shall comply with section 15.0597, subdivisions 2 and 4.

(c) The commissioner shall coordinate the board's rulemaking and recommendations with the recommendations and rulemaking conducted by the other boards created pursuant to this chapter. The commissioner shall provide staff support to the board. The support includes professional, legal, technical, and clerical staff necessary to perform rulemaking and other duties assigned to the board. The commissioner of labor and industry shall supply necessary office space and supplies to assist the board in its duties.

Sec. 15. **[326B.437] REDUCED PRESSURE BACKFLOW PREVENTION REBUILDERS AND TESTERS.**

(a) No person shall perform or offer to perform the installation, maintenance, repair, replacement, or rebuilding of reduced pressure zone backflow prevention assemblies unless the person obtains a plumbing contractor's license. An individual shall not engage in the testing, maintenance, repair, or rebuilding of reduced pressure zone backflow prevention assemblies, as regulated by the Plumbing Code, unless the individual is certified by the commissioner as a backflow prevention rebuilder.

(b) An individual shall not engage in testing of a reduced pressure zone backflow prevention assembly, as regulated by the Plumbing Code, unless the individual possesses a backflow prevention rebuilder certificate or is certified by the commissioner as a backflow prevention tester.

(c) Certificates are issued for an initial period of two years and must be renewed every two years thereafter for as long as the certificate holder installs, maintains, repairs, rebuilds, or tests reduced pressure zone backflow prevention assemblies. For purposes of calculating fees under section 326B.092, an initial or renewed backflow prevention rebuilder or tester certificate shall be considered an entry level license.

(d) The Plumbing Board shall adopt expedited rules under section 14.389 that are related to the certification of backflow prevention rebuilders and backflow prevention testers. Section 326B.13, subdivision 8, does not apply to these rules. Notwithstanding the 18-month limitation under section 14.125, this authority expires on December 31, 2014.

(e) The department shall recognize certification programs that are a minimum of 16 contact hours and include the passage of an examination. The examination must consist of a practical and a written component. This paragraph expires when the Plumbing Board adopts rules under paragraph (d).

Sec. 16. Minnesota Statutes 2010, section 326B.438, is amended to read:

326B.438 MEDICAL GAS SYSTEMS.

Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Medical gas" means medical gas as defined under the National Fire Protection Association NFPA 99C Standard on Gas and Vacuum Systems.

(c) "Medical gas system" means a level 1, 2, or 3 piped medical gas and vacuum system as defined under the National Fire Protection Association NFPA 99C Standard on Gas and Vacuum Systems.

Subd. 2. **License and certification required.** ~~A No person shall perform or offer to perform the installation, maintenance, or repair of medical gas systems unless the person obtains a contractor's license. An individual shall not engage in the installation, maintenance, or repair of a medical gas system unless the person individual possesses a current Minnesota master or journeyman plumber's license and is certified by the commissioner under rules adopted by the Minnesota Plumbing Board. The certification must be renewed annually biennially for as long as the certificate holder engages in the installation, maintenance, or repair of medical gas and vacuum systems. If a medical gas and vacuum system certificate is not renewed within 12 months after its expiration the medical gas and vacuum certificate is permanently forfeited.~~

Subd. 3. **Exemptions.** (a) ~~A person~~ An individual who on August 1, 2010, holds a valid certificate authorized by the American Society of Sanitary Engineering (ASSE) in accordance with standards recommended by the National Fire Protection Association under NFPA 99C is exempt from the requirements of subdivision 2. This exemption applies only if the ~~person~~ individual maintains a valid certification authorized by the ASSE.

(b) ~~A person~~ An individual who on August 1, 2010, possesses a current Minnesota master or journeyman plumber's license and a valid certificate authorized by the ASSE in accordance with standards recommended by the National Fire Protection Association under NFPA 99C is exempt from the requirements of subdivision 2 and may install, maintain, and repair a medical gas system. This exemption applies only if ~~a person~~ an individual maintains a valid Minnesota master or journeyman plumber's license and valid certification authorized by the ASSE.

Subd. 4. **Fees.** ~~The fee for a medical gas certificate~~ For the purpose of calculating fees under section 326B.092, an initial or renewed medical gas certificate issued by the commissioner according to subdivision 2 is \$30 per year shall be considered a journeyman level license.

Sec. 17. Minnesota Statutes 2010, section 326B.46, subdivision 1a, is amended to read:

Subd. 1a. **Exemptions from licensing.** (a) An individual without a contractor license may do plumbing work on the individual's residence in accordance with subdivision 1, paragraph (a).

(b) An individual who is an employee working on the maintenance and repair of plumbing equipment, apparatus, or facilities owned or leased by the individual's employer and which is within the limits of property owned or leased, and operated or maintained by the individual's employer, shall not be required to maintain a contractor license as long as the employer has on file with the commissioner a current certificate of responsible ~~person~~. ~~The certificate must be signed by the responsible individual.~~ The responsible individual must be a master plumber or, in an area of the state that is not a city or town with a population of more than 5,000 according to the last federal census, a restricted master plumber. ~~The certificate must be signed by the responsible individual~~ and must state that the person signing the certificate is responsible for ensuring that the maintenance and repair work performed by the employer's employees ~~comply~~ complies with sections 326B.41 to 326B.49, all rules adopted under those sections and sections 326B.50 to 326B.59, and all orders issued under section 326B.082. The employer must pay a filing fee to file a certificate of responsible ~~person~~ individual with the commissioner. The certificate shall expire two years from the date of filing. In order to maintain a current certificate of responsible ~~person~~ individual, the employer must resubmit a certificate of responsible ~~person~~ individual, with a filing fee, no later than two years from the date of the previous submittal. The filing of the certificate of responsible ~~person~~ individual does not exempt any employee of the employer from the requirements of this chapter regarding individual licensing as a plumber or registration as a plumber's apprentice.

(c) If a contractor employs a licensed plumber, the licensed plumber does not need a separate contractor license to perform plumbing work on behalf of the employer within the scope of the licensed plumber's license.

(d) A person may perform and offer to perform building sewer or water service installation without a contractor's license if the person is in compliance with the bond and insurance requirements of subdivision 2.

Sec. 18. Minnesota Statutes 2010, section 326B.46, subdivision 1b, is amended to read:

Subd. 1b. **Employment of master plumber or restricted master plumber.** (a) Each contractor must designate a responsible licensed plumber, who shall be responsible for the performance of all plumbing work in accordance with sections 326B.41 to 326B.49, all rules adopted under these sections and sections 326B.50 to 326B.59, and all orders issued under section 326B.082. A plumbing contractor's responsible ~~licensed plumber~~ individual must be a master plumber. A restricted plumbing contractor's responsible ~~licensed plumber~~ individual must be a master plumber or a restricted master plumber. A plumbing contractor license authorizes the contractor to offer to perform and, through licensed and registered individuals, to perform plumbing work in all areas of the state. A restricted plumbing contractor license authorizes the contractor to offer to perform and, through licensed and registered individuals, to perform plumbing work in all areas of the state except in cities and towns with a population of more than 5,000 according to the last federal census.

(b) If the contractor is an individual or sole proprietorship, the responsible licensed ~~plumber~~ individual must be the individual, proprietor, or managing employee. If the contractor is a partnership, the responsible licensed ~~plumber~~ individual must be a general partner or managing employee. If the contractor is a limited liability company, the responsible licensed ~~plumber~~ individual must be a chief manager or managing employee. If the contractor is a corporation, the responsible licensed ~~plumber~~ individual must be an officer or managing employee. If the responsible licensed ~~plumber~~ individual is a managing employee, the responsible licensed ~~plumber~~ individual

must be actively engaged in performing plumbing work on behalf of the contractor, and cannot be employed in any capacity as a plumber for any other contractor. An individual may be the responsible licensed ~~plumber~~ individual for only one contractor.

(c) All applications and renewals for contractor licenses shall include a verified statement that the applicant or licensee has complied with this subdivision.

Sec. 19. Minnesota Statutes 2010, section 326B.46, subdivision 2, is amended to read:

Subd. 2. **Bond; insurance.** ~~As a condition of licensing, each contractor~~ (a) The bond and insurance requirements of paragraphs (b) and (c) apply to each person who performs or offers to perform plumbing work within the state, including any person who offers to perform or performs sewer or water service installation without a contractor's license. If the person performs or offers to perform any plumbing work other than sewer or water service installation, then the person must meet the requirements of paragraphs (b) and (c) as a condition of holding a contractor's license.

(b) Each person who performs or offers to perform plumbing work within the state shall give and maintain bond to the state in the amount of at least \$25,000 for (1) all plumbing work entered into within the state or (2) all plumbing work and subsurface sewage treatment work entered into within the state. If the bond is for both plumbing work and subsurface sewage treatment work, the bond must comply with the requirements of this section and section 115.56, subdivision 2, paragraph (e). The bond shall be for the benefit of persons injured or suffering financial loss by reason of failure to comply with the requirements of the State Plumbing Code and, if the bond is for both plumbing work and subsurface sewage treatment work, financial loss by reason of failure to comply with the requirements of sections 115.55 and 115.56. The bond shall be filed with the commissioner and shall be written by a corporate surety licensed to do business in the state.

~~In addition, as a condition of licensing, each contractor~~ (c) Each person who performs or offers to perform plumbing work within the state shall have and maintain in effect public liability insurance, including products liability insurance with limits of at least \$50,000 per person and \$100,000 per occurrence and property damage insurance with limits of at least \$10,000. The insurance shall be written by an insurer licensed to do business in the state of Minnesota and, Each licensed master plumber person who performs or offers to perform plumbing work within the state shall maintain on file with the commissioner a certificate evidencing the insurance. In the event of a policy cancellation, the insurer shall send written notice to the commissioner at the same time that a cancellation request is received from or a notice is sent to the insured.

Sec. 20. Minnesota Statutes 2010, section 326B.46, subdivision 3, is amended to read:

Subd. 3. **Bond and insurance exemption.** ~~If a master plumber or restricted master plumber person~~ who is in compliance with the bond and insurance requirements of subdivision 2, employs a licensed plumber, ~~the or an individual who has completed pipe-laying training as prescribed by the commissioner, that~~ employee plumber shall not be required to meet the bond and insurance requirements of subdivision 2. An individual who is an employee working on the maintenance and repair of plumbing equipment, apparatus, or facilities owned or leased by the individual's employer and which is within the limits of property owned or leased, and operated or maintained by the individual's employer, shall not be required to meet the bond and insurance requirements of subdivision 2.

Sec. 21. Minnesota Statutes 2010, section 326B.47, subdivision 1, is amended to read:

Subdivision 1. **Registration; supervision; records.** (a) All unlicensed individuals, other than plumber's apprentices and individuals who have completed pipe-laying training as prescribed by the commissioner, must be registered under subdivision 3.

(b) A plumber's apprentice or registered unlicensed individual is authorized to assist in the installation of plumbing only while under the direct supervision of a master, restricted master, journeyman, or restricted journeyman plumber. The master, restricted master, journeyman, or restricted journeyman plumber is responsible for ensuring that all plumbing work performed by the plumber's apprentice or registered unlicensed individual complies with the plumbing code. The supervising master, restricted master, journeyman, or restricted journeyman must be licensed and must be employed by the same employer as the plumber's apprentice or registered unlicensed individual. Licensed individuals shall not permit plumber's apprentices or registered unlicensed individuals to perform plumbing work except under the direct supervision of an individual actually licensed to perform such work. Plumber's apprentices and registered unlicensed individuals shall not supervise the performance of plumbing work or make assignments of plumbing work to unlicensed individuals.

(c) Contractors employing plumber's apprentices or registered unlicensed individuals to perform plumbing work shall maintain records establishing compliance with this subdivision that shall identify all plumber's apprentices and registered unlicensed individuals performing plumbing work, and shall permit the department to examine and copy all such records.

Sec. 22. Minnesota Statutes 2010, section 326B.47, subdivision 3, is amended to read:

Subd. 3. **Registration, rules, applications, renewals, and fees.** An unlicensed individual may register by completing and submitting to the commissioner an application form provided by the commissioner, with all fees required by section 326B.092. A completed application form must state the date the individual began training, the individual's age, schooling, previous experience, and employer, and other information required by the commissioner. The Plumbing Board may prescribe rules, not inconsistent with this section, for the registration of unlicensed individuals. Applications for initial registration may be submitted at any time. Registration must be renewed annually and shall be for the period from July 1 of each year to June 30 of the following year.

Sec. 23. Minnesota Statutes 2010, section 326B.49, subdivision 1, is amended to read:

Subdivision 1. **Application, examination, and license fees.** (a) Applications for master and journeyman plumber's licenses shall be made to the commissioner, with all fees required by section 326B.092. Unless the applicant is entitled to a renewal, the applicant shall be licensed by the commissioner only after passing a satisfactory examination developed and administered by the commissioner, based upon rules adopted by the Plumbing Board, showing fitness.

(b) All initial journeyman plumber's licenses shall be effective for more than one calendar year and shall expire on December 31 of the year after the year in which the application is made. All master plumber's licenses shall expire on December 31 of each even-numbered year after issuance or renewal. The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of master and journeyman plumber's licenses from one year to two years. By June 30, 2011, all renewed master and journeyman plumber's licenses shall be two-year licenses.

(c) Applications for contractor licenses shall be made to the commissioner, with all fees required by section 326B.092. All contractor licenses shall expire on December 31 of each odd-numbered year after issuance or renewal.

(d) For purposes of calculating license fees and renewal license fees required under section 326B.092:

(1) the following licenses shall be considered business licenses: plumbing contractor and restricted plumbing contractor;

(2) the following licenses shall be considered master licenses: master plumber and restricted master plumber;

(3) the following licenses shall be considered journeyman licenses: journeyman plumber and restricted journeyman plumber; and

(4) the registration of a plumber's apprentice under section 326B.47, subdivision 3, shall be considered an entry level license.

(e) For each filing of a certificate of responsible ~~person~~ individual by an employer, the fee is \$100.

(f) The commissioner shall charge each person giving bond under section 326B.46, subdivision 2, paragraph (b), a biennial bond filing fee of \$100, unless the person is a licensed contractor.

Sec. 24. Minnesota Statutes 2010, section 326B.56, subdivision 1, is amended to read:

Subdivision 1. **Bonds.** (a) As a condition of licensing, each water conditioning contractor shall give and maintain a bond to the state as described in paragraph (b). No applicant for a water conditioning contractor ~~or installer~~ license who maintains the bond under paragraph (b) shall be otherwise required to meet the bond requirements of any political subdivision.

(b) Each bond given to the state under this subdivision shall be in the total sum of \$3,000 conditioned upon the faithful and lawful performance of all water conditioning installation or servicing done within the state. The bond shall be for the benefit of persons suffering injuries or damages due to the work. The bond shall be filed with the commissioner and shall be written by a corporate surety licensed to do business in this state. The bond must remain in effect at all times while the application is pending and while the license is in effect.

Sec. 25. Minnesota Statutes 2010, section 326B.58, is amended to read:

326B.58 FEES; RENEWAL.

(a) Each initial water conditioning master and water conditioning journeyman license shall be effective for more than one calendar year and shall expire on December 31 of the year after the year in which the application is made.

(b) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of water conditioning master and journeyman licenses from one year to two years. By June 30, 2011, all renewed water conditioning contractor ~~and installer~~ licenses shall be two-year licenses. The Plumbing Board may by rule prescribe for the expiration and renewal of licenses.

(c) All water conditioning contractor licenses shall expire on December 31 of the year after issuance or renewal.

(d) For purposes of calculating license fees and renewal fees required under section 326B.092:

(1) a water conditioning journeyman license shall be considered a journeyman license;

(2) a water conditioning master license shall be considered a master license; and

(3) a water conditioning contractor license shall be considered a business license.

Sec. 26. Minnesota Statutes 2010, section 326B.82, subdivision 2, is amended to read:

Subd. 2. **Appropriate and related knowledge.** "Appropriate and related knowledge" means facts, information, or principles that are clearly relevant to the ~~licensee in performing~~ licensee's responsibilities under a license issued by the commissioner. These facts, information, or principles must convey substantive and procedural knowledge as it relates to postlicensing issues and must be relevant to the technical aspects of a ~~particular area of continuing education~~ regulated industry.

Sec. 27. Minnesota Statutes 2010, section 326B.82, subdivision 3, is amended to read:

Subd. 3. **Classroom hour.** "Classroom hour" means ~~a 50-minute hour~~ 50 minutes of educational content.

Sec. 28. Minnesota Statutes 2010, section 326B.82, subdivision 7, is amended to read:

Subd. 7. **Medical hardship.** "Medical hardship" ~~includes~~ means a documented physical disability or medical condition.

Sec. 29. Minnesota Statutes 2010, section 326B.82, subdivision 9, is amended to read:

Subd. 9. **Regulated industries industry.** "Regulated industries industry" means ~~residential contracting, residential remodeling, or residential roofing. Each of these is a regulated industry~~ any business, trade, profession, or occupation that requires a license issued under this chapter or chapter 327B as a condition of doing business in Minnesota.

Sec. 30. Minnesota Statutes 2010, section 326B.821, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** The purpose of this section is to establish standards for residential building contractor continuing education. ~~The standards must include requirements for continuing education in the implementation of energy codes or energy conservation measures applicable to residential buildings.~~

Sec. 31. Minnesota Statutes 2010, section 326B.821, subdivision 5, is amended to read:

Subd. 5. **Content.** (a) Continuing education consists of approved courses that impart appropriate and related knowledge in the ~~residential construction industry~~ regulated industries pursuant to ~~sections 326B.802 to 326B.885 this chapter~~ and other ~~relevant~~ applicable federal and state laws, rules, and regulations. Courses may include relevant materials that are included in licensing exams subject to the limitations imposed in subdivision 11. The burden of demonstrating that courses impart appropriate and related knowledge is upon the person seeking approval or credit.

(b) Except as required for Internet continuing education, course examinations will not be required for continuing education courses ~~unless they are required by the sponsor.~~

(c) ~~Textbooks are not required to be used for continuing education courses.~~ If textbooks are not used as part of the course, the sponsor must provide students with a syllabus containing, ~~at a minimum,~~ the course title, the times and dates of the course offering, the name, address, ~~and~~ telephone number of the course sponsor ~~and~~ the name and affiliation of the instructor, and a detailed outline of the subject materials to be covered. Any written or printed material given to students must be of readable quality and contain accurate and current information.

(d) Upon completion of an approved course, licensees shall earn one hour of continuing education credit for each classroom hour approved by the commissioner. ~~One credit hour of continuing education is equivalent to 50 minutes of educational content.~~ Each continuing education course must be attended in its entirety in order to receive credit for the number of approved hours. Courses may be approved for full or partial credit, and for more than one regulated industry.

(e) Continuing education credit in an approved course shall be awarded to presenting instructors on the basis of one credit for each hour ~~of preparation for the duration~~ of the initial presentation. Continuing education ~~credit may not be earned if the licensee has previously obtained credit for the same course as a licensee or as an instructor within the three years immediately prior~~ credits for completion of an approved course may only be used once for renewal of a specific license.

(e) (f) Courses will be approved using the following guidelines:

(1) course content must demonstrate significant intellectual or practical content and deal with matters directly related to the practice of ~~residential construction in the regulated industry~~, workforce safety, or the business of running a ~~residential construction~~ company in the regulated industry. Courses may also address the professional responsibility or ethical obligations of ~~residential contractors to homeowners and suppliers~~ a licensee related to work in the regulated industry;

(2) the following courses may be ~~automatically~~ approved if they are specifically designed for the ~~residential construction~~ regulated industry and are in compliance with paragraph ~~(f)~~ (g):

(i) courses approved by the Minnesota Board of Continuing Legal Education; or

(ii) courses approved by the International Code Council, National Association of Home Building, or other nationally recognized professional organization of the ~~residential construction~~ regulated industry; and

(3) courses must be presented and attended in a suitable classroom or construction setting, except for Internet education courses which must meet the requirements of subdivision 5a. Courses presented via video recording, simultaneous broadcast, or teleconference may be approved provided the sponsor is available at all times during the presentation, except for Internet education courses which must meet the requirements of subdivision 5a.

~~(f)~~ (g) The following courses will not be approved for credit:

(1) courses designed solely to prepare students for a license examination;

(2) courses in mechanical office skills, including typing, speed reading, or other machines or equipment. Computer courses are allowed, if appropriate and related to the ~~residential construction~~ regulated industry;

(3) courses in sales promotion, including meetings held in conjunction with the general business of the licensee;

(4) courses in motivation, salesmanship, psychology, or personal time management;

(5) courses that are primarily intended to impart knowledge of specific products of specific companies, if the use of the product or products relates to the sales promotion or marketing of one or more of the products discussed; or

(6) courses where any of the educational content of the course is the State Building Code that include code provisions that have not been adopted into the State Building Code unless the course materials clarify ~~whether or not that~~ the code provisions have been officially adopted into a future version of the State Building Code and the effective date of enforcement, ~~if applicable~~.

Sec. 32. Minnesota Statutes 2010, section 326B.821, subdivision 5a, is amended to read:

Subd. 5a. **Internet continuing education.** (a) Minnesota state colleges and universities that are accredited to provide Internet education by the Higher Learning Commission are exempt from the requirements of this subdivision.

(b) The design and delivery of an Internet continuing education course must be approved by the International Distance Education Certification Center (IDECC) before the course is submitted for the commissioner's approval. The IDECC approval must accompany the course submitted.

~~(b)~~ (c) An Internet continuing education course must:

- (1) specify the minimum computer system requirements;
- (2) provide encryption that ensures that all personal information, including the student's name, address, and credit card number, cannot be read as it passes across the Internet;
- (3) include technology to guarantee seat time;
- (4) include a high level of interactivity;
- (5) include graphics that reinforce the content;
- (6) include the ability for the student to contact an instructor or course sponsor within a reasonable amount of time;
- (7) include the ability for the student to get technical support within a reasonable amount of time;
- (8) include a statement that the student's information will not be sold or distributed to any third party without prior written consent of the student. Taking the course does not constitute consent;
- (9) be available 24 hours a day, seven days a week, excluding minimal downtime for updating and administration, except that this provision does not apply to live courses taught by an actual instructor and delivered over the Internet;
- (10) provide viewing access to the online course at all times to the commissioner, excluding minimal downtime for updating and administration;
- (11) include a process to authenticate the student's identity;
- (12) inform the student and the commissioner how long after its purchase a course will be accessible;
- (13) inform the student that license education credit will not be awarded for taking the course after it loses its status as an approved course;
- (14) provide clear instructions on how to navigate through the course;
- (15) provide automatic bookmarking at any point in the course;
- (16) provide questions after each unit or chapter that must be answered before the student can proceed to the next unit or chapter;
- (17) include a reinforcement response when a quiz question is answered correctly;
- (18) include a response when a quiz question is answered incorrectly;
- (19) include a final examination in which the student must correctly answer 70 percent of the questions;
- (20) allow the student to go back and review any unit at any time, except during the final examination;
- (21) provide a course evaluation at the end of the course. At a minimum, the evaluation must ask the student to report any difficulties caused by the online education delivery method;

(22) provide a completion certificate when the course and exam have been completed and the provider has verified the completion. Electronic certificates are sufficient and shall include the name of the provider, date and location of the course, educational program identification that was provided by the department, hours of instruction or continuing education hours, and licensee's or attendee's name and license, certification, or registration number or the last four digits of the licensee's or attendee's Social Security number; and

(23) allow the commissioner the ability to electronically review the class to determine if credit can be approved.

(e) (d) The final examination must be either an encrypted online examination or a paper examination that is monitored by a proctor who certifies that the student took the examination.

Sec. 33. Minnesota Statutes 2010, section 326B.821, subdivision 6, is amended to read:

Subd. 6. **Course approval.** (a) Courses must be approved by the commissioner in advance and will be approved on the basis of the applicant's compliance with the provisions of this section relating to continuing education in the regulated industries. The commissioner shall make the final determination as to the approval and assignment of credit hours for courses. Courses must be at least one hour in length.

Licensees requesting credit for continuing education courses that have not been previously approved by the commissioner shall, on a form prescribed by the commissioner, submit an application for approval of continuing education credit accompanied by a nonrefundable fee of \$20 for each course to be reviewed. To be approved, courses must be in compliance with the provisions of this section governing the types of courses that will and will not be approved.

Approval will not be granted for time spent on meals or other unrelated activities. Breaks may not be accumulated in order to dismiss the class early. Classes shall not be offered by a provider to any one student for longer than eight hours in one day, excluding meal breaks.

(b) Application for course approval must be submitted on a form approved by the commissioner at least 30 days before the course offering.

(c) Approval must be granted for a subsequent offering of identical continuing education courses without requiring a new application if a notice of the subsequent offering is filed with the commissioner at least 30 days in advance of the date the course is to be held. The commissioner shall deny future offerings of courses if they are found not to be in compliance with the laws relating to course approval.

Sec. 34. Minnesota Statutes 2010, section 326B.821, subdivision 7, is amended to read:

Subd. 7. **Courses open to all.** All course offerings must be open to any interested individuals. Access may be restricted by the sponsor based on class size only. Courses ~~must~~ shall not be approved if attendance is restricted to any particular group of people, except for company-sponsored courses allowed by applicable law.

Sec. 35. Minnesota Statutes 2010, section 326B.821, subdivision 8, is amended to read:

Subd. 8. **Course sponsor.** (a) Each course of study shall have at least one sponsor, approved by the commissioner, who is responsible for supervising the program and ensuring compliance with all relevant law. Sponsors may engage an additional approved sponsor in order to assist the sponsor or to act as a substitute for the sponsor ~~in the event of an emergency or illness.~~

(b) Sponsors must submit an application and sworn statement stating they agree to abide by the requirements of this section and any other applicable statute or rule pertaining to ~~residential construction~~ continuing education in the regulated industry.

(c) A sponsor may also be an instructor.

(d) Failure to comply with ~~requirements~~ paragraph (b) may result in loss of sponsor approval for up to two years in accordance with section 326B.082.

Sec. 36. Minnesota Statutes 2010, section 326B.821, subdivision 9, is amended to read:

Subd. 9. **Responsibilities.** A sponsor is responsible for:

(1) ensuring compliance with all laws and rules relating to continuing educational offerings governed by the commissioner;

(2) ensuring that students are provided with current and accurate information relating to the laws and rules governing ~~their licensed activity~~ the regulated industry;

(3) supervising and evaluating courses and instructors. Supervision includes ensuring that all areas of the curriculum are addressed without redundancy and that continuity is present throughout the entire course;

(4) ensuring that instructors are qualified to teach the course offering;

(5) furnishing the commissioner, upon request, with copies of course ~~and instructor~~ evaluations and. Evaluations must be completed by students at the time the course is offered;

~~(6) furnishing the commissioner, upon request, with copies of the qualifications of instructors. Evaluations must be completed by students at the time the course is offered and by sponsors within five days after the course offering;~~

~~(7)~~ (7) investigating complaints related to course offerings or instructors. A copy of the written complaint must be sent to the commissioner within ten days of receipt of the complaint and a copy of the complaint resolution must be sent not more than ten days after resolution is reached;

~~(8)~~ (8) maintaining accurate records relating to course offerings, instructors, tests taken by students if required, and student attendance for a period of three years from the date on which the course was completed. These records must be made available to the commissioner upon request. In the event the sponsor ceases operations before termination of the sponsor application, the sponsor must provide to the commissioner digital copies of all course and attendance records of courses held for the previous three years;

~~(9)~~ (9) attending workshops or instructional programs as reasonably required by the commissioner;

~~(10)~~ (10) providing course completion certificates within ten days of, but not before, completion of the entire course. A sponsor may require payment of the course tuition as a condition of receiving the course completion certificate. Course completion certificates must be completed in their entirety. ~~Course completion certificates must and shall~~ contain the following:

(i) the statement: "If you have any comments about this course offering, please mail them to the Minnesota Department of Labor and Industry.";

(ii) the current address of the department must be included. A sponsor may require payment of the course tuition as a condition for receiving the course completion certificate, name of the provider, date and location of the course, educational program identification provided by the department, and hours of instruction or continuing education hours; and

(iii) the licensee's or attendee's name and license, certificate, or registration number or the last four digits of the licensee's or attendee's Social Security number; and

~~(10)~~ (11) notifying the commissioner in writing within ten days of any change in the information in an application for approval on file with the commissioner.

Sec. 37. Minnesota Statutes 2010, section 326B.821, subdivision 10, is amended to read:

Subd. 10. **Instructors.** (a) Each continuing education course shall have an instructor who is qualified by education, training, or experience to ensure competent instruction. Failure to have only qualified instructors teach at an approved course offering will result in loss of course approval. Sponsors are responsible to ensure that an instructor is qualified to teach the course offering.

(b) Qualified continuing education instructors must have one of the following qualifications:

(1) four years' practical experience in the subject area being taught;

(2) a college or graduate degree in the subject area being taught;

(3) direct experience in the development of laws, rules, or regulations related to the ~~residential construction~~ regulated industry; or

(4) demonstrated expertise in the subject area being taught. Instructors providing instruction related to electricity, plumbing, or high pressure piping systems must comply with all applicable continuing education rules adopted by the Board of Electricity, the Plumbing Board, or the Board of High Pressure Piping Systems.

~~(c) Approved~~ Qualified continuing education instructors are responsible for:

(1) compliance with all laws and rules relating to continuing education;

(2) providing students with current and accurate information;

(3) maintaining an atmosphere conducive to learning in the classroom;

(4) verifying attendance of students, and certifying course completion;

(5) providing assistance to students and responding to questions relating to course materials; and

(6) attending the workshops or instructional programs that are required by the commissioner.

Sec. 38. Minnesota Statutes 2010, section 326B.821, subdivision 11, is amended to read:

Subd. 11. **Prohibited practices for sponsors and instructors.** (a) In connection with an approved continuing education course, sponsors and instructors shall not:

(1) recommend ~~or~~, promote, or disparage the specific services, products, processes, procedures, or practices of a particular business person in the regulated industry;

(2) encourage or recruit ~~individuals~~ students to engage the services of, or become associated with, a particular business;

(3) use materials for the sole purpose of promoting a particular business;

(4) require students to participate in other programs or services offered by an instructor or sponsor;

(5) attempt, either directly or indirectly, to discover questions or answers on an examination for a license;

(6) disseminate to any other person specific questions, problems, or information known or believed to be included in licensing examinations;

(7) misrepresent any information submitted to the commissioner;

(8) fail to reasonably cover, or ensure coverage of, all points, issues, and concepts contained in the course outline approved by the commissioner during the approved instruction; or

(9) issue inaccurate course completion certificates.

(b) Sponsors shall notify the commissioner within ten days of a felony or gross misdemeanor conviction or of disciplinary action taken against an occupational or professional license held by the sponsor or an instructor teaching an approved course. The ~~notification~~ conviction or disciplinary action shall be grounds for the commissioner to withdraw the approval of the sponsor and to disallow the use of the sponsor or instructor.

Sec. 39. Minnesota Statutes 2010, section 326B.821, subdivision 12, is amended to read:

Subd. 12. **Fees Course tuition.** Fees Tuition for an approved course of study and related materials must be clearly identified to students. In the event that a course is canceled for any reason, all ~~fees~~ tuition must be returned within 15 days from the date of cancellation. In the event that a course is postponed for any reason, students shall be given the choice of attending the course at a later date or having their ~~fees~~ tuition refunded in full within 15 days from the date of postponement. If a student is unable to attend a course or cancels the registration in a course, sponsor policies regarding refunds shall govern.

Sec. 40. Minnesota Statutes 2010, section 326B.821, subdivision 15, is amended to read:

Subd. 15. **Advertising courses.** (a) Paragraphs (b) to (g) govern the advertising of continuing education courses.

(b) Advertising must be truthful and not deceptive or misleading. Courses may not be advertised as approved for continuing education credit unless approval has been granted in writing by the commissioner.

(c) Once a course is approved, all advertisement, pamphlet, circular, or other similar materials pertaining to an approved course circulated or distributed in this state, must prominently display the following statement:

"This course has been approved by the Minnesota Department of Labor and Industry for (approved number of hours) hours for ~~residential contractor~~ (regulated industry) continuing education."

(d) Advertising of approved courses must be clearly distinguishable from the advertisement of other nonapproved courses and services.

(e) Continuing education courses may not be advertised before approval unless the course is described in any advertising as "approval pending." The sponsor must verbally notify ~~licensees~~ students before commencement of the course if the course has been denied credit, has not been approved for credit, or has only been approved for partial credit by the commissioner.

(f) The number of hours for which a course has been approved must be prominently displayed on an advertisement for the course. If the course offering is longer than the number of hours of credit to be given, it must be clear that credit is not earned for the entire course.

(g) The course approval number must not be included in any advertisement.

Sec. 41. Minnesota Statutes 2010, section 326B.821, subdivision 16, is amended to read:

Subd. 16. **Notice to students.** At the beginning of each approved offering, the following notice must be handed out in printed form or must be read to students:

"This educational offering is recognized by the Minnesota Department of Labor and Industry as satisfying (insert number of hours approved) hours of credit toward ~~residential contractor~~ (insert regulated industry) continuing education requirements."

Sec. 42. Minnesota Statutes 2010, section 326B.821, subdivision 18, is amended to read:

Subd. 18. **Falsification of reports or certificates.** A licensee, its ~~qualified person~~ qualifying individual, or an applicant found to have falsified an education report or certificate to the commissioner shall be considered to have violated the laws relating to the regulated industry for which the person has a license and shall be subject to ~~ensure, limitation, condition, suspension, or revocation of the license or denial of the application for licensure~~ the enforcement provisions of section 326B.082.

The commissioner reserves the right to audit a licensee's continuing education records.

Sec. 43. Minnesota Statutes 2010, section 326B.821, subdivision 19, is amended to read:

Subd. 19. **Waivers and extensions.** ~~If a licensee provides documentation to the commissioner that the licensee or its qualifying person is unable, and will continue to be unable, to attend actual classroom course work because of a physical disability, medical condition, or similar reason, attendance at continuing education courses shall be waived for a period not to exceed one year. The commissioner shall require that the licensee or its qualifying person satisfactorily complete a self study program to include reading a sufficient number of textbooks, or listening to a sufficient number of tapes, related to the residential building contractor industry, as would be necessary for the licensee to satisfy continuing educational credit hour needs. The commissioner shall award the licensee credit hours for a self study program by determining how many credit hours would be granted to a classroom course involving the same material and giving the licensee the same number of credit hours under this section. The licensee may apply each year for a new waiver upon the same terms and conditions as were necessary to secure the original waiver, and must demonstrate that in subsequent years, the licensee was unable to complete actual classroom course work. The commissioner may request documentation of the condition upon which the request for waiver is based as is necessary to satisfy the commissioner of the existence of the condition and that the condition does preclude attendance at continuing education courses.~~

Upon written proof demonstrating a medical hardship, the commissioner shall extend, for up to 90 days, the time period during which the continuing education must be successfully completed. ~~Loss of income from either attendance at courses or cancellation of a license is not a bona fide financial hardship.~~ Requests for extensions must be submitted to the commissioner in writing no later than 60 days before the education is due and must include an explanation with verification of the hardship, plus verification of enrollment at an approved course of study on or before the extension period expires.

Sec. 44. Minnesota Statutes 2010, section 326B.821, subdivision 20, is amended to read:

Subd. 20. **Reporting requirements.** ~~Required~~ Continuing education credits must be reported by the sponsor in a manner prescribed by the commissioner. Licensees are responsible for maintaining copies of course completion certificates.

Sec. 45. Minnesota Statutes 2010, section 326B.821, subdivision 22, is amended to read:

Subd. 22. **Continuing education approval.** Continuing education courses must be approved in advance by the commissioner of labor and industry. ~~"Sponsor" means any person or entity offering approved education.~~

Sec. 46. Minnesota Statutes 2010, section 326B.821, subdivision 23, is amended to read:

Subd. 23. **Continuing education fees.** The following fees shall be paid to the commissioner:

(1) initial course approval, \$20 for each hour or fraction of one hour of continuing education course approval sought. Initial course approval expires on the last day of the ~~24th~~ 36th month after the course is approved;

~~(2) renewal of course approval, \$20 per course. Renewal of course approval expires on the last day of the 24th month after the course is renewed;~~

~~(3) (2) initial sponsor approval, \$100. Initial sponsor approval expires on the last day of the 24th month after the sponsor is approved; and~~

~~(4) (3) renewal of sponsor approval, \$20 \$100. Renewal of sponsor approval expires on the last day of the 24th month after the sponsor is renewed.~~

Sec. 47. Minnesota Statutes 2010, section 326B.865, is amended to read:

326B.865 SIGN CONTRACTOR; BOND.

(a) A sign contractor may post a compliance bond with the commissioner, conditioned that the sign contractor shall faithfully perform duties and comply with laws, ordinances, rules, and contracts entered into for the installation of signs. The bond must be renewed biennially and maintained for so long as determined by the commissioner. The aggregate liability of the surety on the bond to any and all persons, regardless of the number of claims made against the bond, may not exceed the annual amount of the bond. The bond may be canceled as to future liability by the surety upon 30 days' written notice mailed to the commissioner by United States mail.

(b) The amount of the bond shall be \$8,000. The bond may be drawn upon only by a local unit of government that requires sign contractors to post a compliance bond. The bond is in lieu of any compliance bond required by a local unit of government.

(c) For purposes of this section, "sign" means a device, structure, fixture, or placard using graphics, symbols, or written copy that is erected on the premises of an establishment including the name of the establishment or identifying the merchandise, services, activities, or entertainment available on the premises.

(d) Each person giving bond under this section shall pay a biennial bond filing fee of \$100 to the commissioner of labor and industry.

EFFECTIVE DATE. This section is effective January 1, 2012.

Sec. 48. Minnesota Statutes 2010, section 326B.89, subdivision 6, is amended to read:

Subd. 6. **Verified application.** To be eligible for compensation from the fund, an owner or lessee shall serve on the commissioner a verified application for compensation on a form approved by the commissioner. The application shall verify the following information:

- (1) the specific grounds upon which the owner or lessee seeks to recover from the fund;
- (2) that the owner or the lessee has obtained a final judgment in a court of competent jurisdiction against a licensee licensed under section 326B.83;
- (3) that the final judgment was obtained against the licensee on the grounds of fraudulent, deceptive, or dishonest practices, conversion of funds, or failure of performance that arose directly out of a contract directly between the licensee and the homeowner or lessee that was entered into prior to the cause of action and that occurred when the licensee was licensed and performing any of the special skills enumerated under section 326B.802, subdivision 15;
- (4) the amount of the owner's or the lessee's actual and direct out-of-pocket loss on the owner's residential real estate, on residential real estate leased by the lessee, or on new residential real estate that has never been occupied or that was occupied by the licensee for less than one year prior to purchase by the owner;
- (5) that the residential real estate is located in Minnesota;
- (6) that the owner or the lessee is not the spouse of the licensee or the personal representative of the licensee;
- (7) the amount of the final judgment, any amount paid in satisfaction of the final judgment, and the amount owing on the final judgment as of the date of the verified application;
- (8) that the owner or lessee has diligently pursued remedies against all the judgment debtors and all other persons liable to the judgment debtor in the contract for which the owner or lessee seeks recovery from the fund; and
- (9) that the verified application is being served within two years after the judgment became final.

The verified application must include documents evidencing the amount of the owner's or the lessee's actual and direct out-of-pocket loss. The owner's and the lessee's actual and direct out-of-pocket loss shall not include any attorney fees, litigation costs or fees, interest on the loss, and interest on the final judgment obtained as a result of the loss or any costs not directly related to the value difference between what was contracted for and what was provided. Any amount paid in satisfaction of the final judgment shall be applied to the owner's or lessee's actual and direct out-of-pocket loss. An owner or lessee may serve a verified application regardless of whether the final judgment has been discharged by a bankruptcy court. A judgment issued by a court is final if all proceedings on the judgment have either been pursued and concluded or been forgone, including all reviews and appeals. For purposes of this section, owners who are joint tenants or tenants in common are deemed to be a single owner. For purposes of this section, owners and lessees eligible for payment of compensation from the fund shall not include government agencies, political subdivisions, financial institutions, and any other entity that purchases, guarantees, or insures a loan secured by real estate.

Sec. 49. Minnesota Statutes 2010, section 326B.89, subdivision 8, is amended to read:

Subd. 8. **Administrative hearing.** If an owner or a lessee timely serves a request for hearing under subdivision 7, the commissioner shall request that an administrative law judge be assigned and that a hearing be conducted under the contested case provisions of chapter 14 within 45 days after the commissioner received the request for hearing, unless the parties agree to a later date. The commissioner must notify the owner or lessee of the time and place of

the hearing at least 15 days before the hearing. Upon petition of the commissioner, the administrative law judge shall continue the hearing up to 60 days and upon a showing of good cause may continue the hearing for such additional period as the administrative law judge deems appropriate.

At the hearing the owner or the lessee shall have the burden of proving by substantial evidence under subdivision 6, clauses (1) to (8). Whenever an applicant's judgment is by default, stipulation, or consent, or whenever the action against the licensee was defended by a trustee in bankruptcy, the applicant shall have the burden of proving the cause of action for fraudulent, deceptive, or dishonest practices, conversion of funds, or failure of performance. Otherwise, the judgment shall create a rebuttable presumption of the fraudulent, deceptive, or dishonest practices, conversion of funds, or failure of performance. This presumption affects the burden of producing evidence.

The administrative law judge shall issue findings of fact, conclusions of law, and order. If the administrative law judge finds that compensation should be paid to the owner or the lessee, the administrative law judge shall order the commissioner to make payment from the fund of the amount it finds to be payable pursuant to the provisions of and in accordance with the limitations contained in this section. The order of the administrative law judge shall constitute the final decision of the agency in the contested case. The commissioner or the owner or lessee may seek judicial review of the administrative law judge's findings of fact, conclusions of law, and order ~~shall be~~ in accordance with sections 14.63 to 14.69.

Sec. 50. Minnesota Statutes 2010, section 327.32, subdivision 1a, is amended to read:

Subd. 1a. **Requirement; used manufactured homes.** No person shall sell or offer for sale in this state any used manufactured home manufactured after June 14, 1976, or install for occupancy any used manufactured home manufactured after June 14, 1976, unless the used manufactured home complies with the Notice of Compliance Form as provided in this subdivision. If manufactured after June 14, 1976, the home must bear a label as required by the secretary. The Notice of Compliance Form shall be signed by the seller and purchaser indicating which party is responsible for either making or paying for any necessary corrections prior to the sale and transferring ownership of the manufactured home.

The Notice of Compliance Form shall be substantially in the following form:

"Notice of Compliance Form as required in Minnesota Statutes, section 327.32, subdivision 1

This notice must be completed and signed by the purchaser(s) and the seller(s) of the used manufactured home described in the purchase agreement and on the bottom of this notice before the parties transfer ownership of a used manufactured home constructed after June 14, 1976.

Electric ranges and clothes dryers must have required four-conductor cords and plugs. For the purpose of complying with the requirements of section 327B.06, a licensed retailer or limited retailer shall retain at least one copy of the form required under this subdivision.

Complies Correction required
Initialed by Responsible Party: Buyer Seller

Solid fuel-burning fireplaces or stoves must be listed for use in manufactured homes, Code of Federal Regulations, title 24, section 3280.709 (g), and installed correctly in accordance with their listing or standards (i.e., chimney, doors, hearth, combustion, or intake, etc., Code of Federal Regulations, title 24, section 3280.709 (g)).

Complies Correction required
Initialed by Responsible Party: Buyer Seller

Gas water heaters and furnaces must be listed for manufactured home use, Code of Federal Regulations, title 24, section 3280.709 (a) and (d)(1) and (2), and installed correctly, in accordance with their listing or standards.

Complies Correction required
Initialed by Responsible Party: Buyer Seller

Smoke alarms are required to be installed and operational in accordance with Code of Federal Regulations, title 24, section 3280.208.

Complies Correction required
Initialed by Responsible Party: Buyer Seller

Carbon monoxide alarms or CO detectors that are approved and operational are required to be installed within ten feet of each room lawfully used for sleeping purposes.

Complies Correction required
Initialed by Responsible Party: Buyer Seller

Egress windows are required in every bedroom with at least one operable window with a net clear opening of 20 inches wide and 24 inches high, five square feet in area, with the bottom of windows opening no more than 36 inches above the floor. Locks, latches, operating handles, tabs, or other operational devices shall not be located more than 54 inches above the finished floor.

Complies Correction required
Initialed by Responsible Party: Buyer Seller

The furnace compartment of the home is required to have interior finish with a flame spread rating not exceeding 25 feet, as specified in the 1976 United States Department of Housing and Urban Development Code governing manufactured housing construction.

Complies Correction required
Initialed by Responsible Party: Buyer Seller

The water heater enclosure in this home is required to have interior finish with a flame spread rating not exceeding 25 feet, as specified in the 1976 United States Department of Housing and Urban Development Code governing manufactured housing construction.

Complies Correction required
Initialed by Responsible Party: Buyer Seller

The home complies with the snowload and heat zone requirements for the state of Minnesota as indicated by the data plate.

Complies Correction required
Initialed by Responsible Party: Buyer Seller

The parties to this agreement have initialed all required sections and agree by their signature to complete any necessary corrections prior to the sale or transfer of ownership of the home described below as listed in the purchase agreement. The state of Minnesota or a local building official has the authority to inspect the home in the manner described in Minnesota Statutes, section 327.33, prior to or after the sale to ensure compliance was properly executed as provided under the Manufactured Home Building Code.

Signature of Purchaser(s) of Home

.....date.....

.....date.....

Print name as appears on purchase agreement

Print name as appears on purchase agreement

Signature of Seller(s) of Home

.....date.....

.....date.....

Print name and license number, if applicable

Print name and license number, if applicable

(Street address of home at time of sale)

.....

(City/State/Zip).....

Name of manufacturer of home.....

Model and year.....

Serial number....."

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

Sec. 51. Minnesota Statutes 2010, section 327.32, subdivision 1b, is amended to read:

Subd. 1b. **Alternative design plan.** An alternative frost-free design slab for a new or used manufactured home that is submitted to the local building official, third-party inspector, or the department, stamped by a licensed professional engineer or architect, ~~and is as being~~ in compliance with either the federal installation standards in effect at the date of manufacture, the manufacturer's installation manual, or the Minnesota State Building Code, when applicable, shall be issued a permit ~~by the department~~ within ten days of being received by the approving authority.

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

Sec. 52. Minnesota Statutes 2010, section 327.32, subdivision 1e, is amended to read:

Subd. 1e. **Reinstallation requirements for ~~single-section~~ used manufactured homes.** (a) All ~~single-section~~ used manufactured homes reinstalled less than 24 months from the date of installation by the first purchaser must be reinstalled in compliance with subdivision 1c. All ~~single-section~~ used manufactured homes reinstalled more than 24 months from the date of installation by the first purchaser may be reinstalled without a frost-protected foundation if the home is reinstalled in compliance with Minnesota Rules, chapter 1350, for above frost-line installations and the notice requirement of subdivision 1f is complied with by the seller and the purchaser of the ~~single-section~~ used manufactured home.

(b) The installer shall affix an installation seal issued by the department to the outside of the home as required by the Minnesota State Building Code. The certificate of installation issued by the installer of record shall clearly state that the home has been reinstalled with an above frost-line foundation. Fees for inspection of a reinstallation and for issuance of reinstallation seals shall follow the requirements of sections 326B.802 to 326B.885. Fees for review of plans, specifications, and on-site inspections shall be those as specified in section 326B.153, subdivision 1, paragraph (c). Whenever an installation certificate for an above frost-line installation is issued to a ~~single-section~~ used manufactured home being listed for sale, the purchase agreement must disclose that the home is installed on a nonfrost-protected foundation and recommend that the purchaser have the home inspected to determine the effects of frost on the home.

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

Sec. 53. Minnesota Statutes 2010, section 327.32, subdivision 1f, is amended to read:

Subd. 1f. **Notice requirement.** The seller of the ~~single-section~~ used manufactured home being reinstalled under subdivision 1e shall provide the following notice to the purchaser and secure signatures of all parties to the purchase agreement on or before signing a purchase agreement prior to submitting an application for an installation certificate. Whenever a current owner of a manufactured home reinstalls the manufactured home under subdivision 1e, the current owner is not required to comply with the notice requirement under this subdivision. The notice shall be in at least 14-point font, except the heading, "WHICH MAY VOID WARRANTY," must be in capital letters, in 20-point font. The notice must be printed on a separate sheet of paper in a color different than the paper on which the purchase agreement is printed. The notice becomes a part of the purchase agreement and shall be substantially in the following form:

"Notice of Reinstalling of a ~~Single-Section~~ Used Manufactured Home Above Frost-Line;
WHICH MAY VOID WARRANTY

It is recommended that the ~~single-section~~ used manufactured home being reinstalled follow the instructions in the manufacturer's installation manual. By signing this notice, the purchaser(s) are acknowledging they have elected to use footings placed above the local frost line in accordance with the Minnesota State Building Code.

The seller has explained the differences between the manufacturer's installation instructions and the installation system selected by the purchaser(s) with respect to possible effects of frost on the manufactured home.

The purchaser(s) acknowledge by signing this notice that there is no manufacturer's original warranty remaining on the home and recognize that any other extended or ancillary warranty could be adversely affected if any applicable warranty stipulates that the home be installed in accordance with the manufacturer's installation manual to remain effective.

After the reinstallation of the manufactured home, it is highly recommended that the purchaser(s) have a licensed manufactured home installer recheck the home's installation for any releveing needs or anchoring system adjustments each freeze-thaw cycle.

The purchaser(s) of the used manufactured home described below that is being reinstalled acknowledge they have read this notice and have been advised to contact the manufacturer of the home and/or the Department of Labor and Industry if they desire additional information before signing this notice. It is the intent of this notice to inform the purchaser(s) that the purchaser(s) elected not to use a frost-protected foundation system for the reinstallation of the manufactured home as originally required by the home's installation manual.

Plain language notice.

I understand that because this home will be installed with footings placed above the local frost line, this home may be subject to adverse effects from frost heave that may damage this home. Purchaser(s) initials:

I understand that the installation of this home with footings placed above the local frost line could affect my ability to obtain a mortgage or mortgage insurance on this home. Purchaser(s) initials:

I understand that the installation of this home with footings placed above the local frost line could void my warranty on the home if any warranty is still in place on this home. Purchaser(s) initials:

Signature of Purchaser(s)

.....date.....

.....date.....

Print name

Print name

(Street address of location where manufactured home is being reinstalled)

.....

(City/State/Zip).....
 Name of manufacturer of home.....
 Model and year.....
 Serial number....."

Name of licensed installer and license number or homeowner responsible for the installation of the home as described above.

Installer name:.....
 License number:....."

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

Sec. 54. Minnesota Statutes 2010, section 327.32, subdivision 7, is amended to read:

Subd. 7. **Enforcement.** All jurisdictions enforcing the State Building Code, in accordance with sections 326B.101 to 326B.151, shall undertake or provide for the administration and enforcement of the manufactured home installation rules promulgated by the commissioner. Municipalities which have adopted the State Building Code may provide installation inspection and plan review services in noncode areas of the state.

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

Sec. 55. Minnesota Statutes 2010, section 327.33, subdivision 2, is amended to read:

Subd. 2. **Fees.** The commissioner shall by rule establish reasonable fees for seals, installation seals and inspections which are sufficient to cover all costs incurred in the administration of sections 327.31 to 327.35. The commissioner shall also establish by rule a monitoring inspection fee in an amount that will comply with the secretary's fee distribution program. This monitoring inspection fee shall be an amount paid by the manufacturer for each manufactured home produced in Minnesota. The monitoring inspection fee shall be paid by the manufacturer to the secretary. The rules of the fee distribution program require the secretary to distribute the fees collected from all manufactured home manufacturers among states approved and conditionally approved based on the number of new manufactured homes whose first location after leaving the manufacturer is on the premises of a distributor, dealer or purchaser in that state. Fees for inspections in areas that have not adopted the State Building Code must be equal to the fees for inspections in code areas of the state. Third party vendors may charge their usual and normal charge for inspections.

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

Sec. 56. Minnesota Statutes 2010, section 327C.095, subdivision 12, is amended to read:

Subd. 12. **Payment to the Minnesota manufactured home relocation trust fund.** (a) If a manufactured home owner is required to move due to the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park, the manufactured park owner shall, upon the change in use, pay to the commissioner of management and budget for deposit in the Minnesota manufactured home relocation trust fund under section 462A.35, the lesser amount of the actual costs of moving or purchasing the manufactured home approved by the neutral third party and paid by the Minnesota Housing Finance Agency under subdivision 13, paragraph (a) or (e), or \$3,250 for each single section manufactured home, and \$6,000 for each multisection manufactured home, for which a manufactured home owner has made application for payment of relocation costs under subdivision 13, paragraph (c). The manufactured home park owner shall make payments required under this section to the Minnesota manufactured home relocation trust fund within 60 days of receipt of invoice from the neutral third party.

(b) A manufactured home park owner is not required to make the payment prescribed under paragraph (a), nor is a manufactured home owner entitled to compensation under subdivision 13, paragraph (a) or (e), if:

(1) the manufactured home park owner relocates the manufactured home owner to another space in the manufactured home park or to another manufactured home park at the park owner's expense;

(2) the manufactured home owner is vacating the premises and has informed the manufactured home park owner or manager of this prior to the mailing date of the closure statement under subdivision 1;

(3) a manufactured home owner has abandoned the manufactured home, or the manufactured home owner is not current on the monthly lot rental, personal property taxes;

(4) the manufactured home owner has a pending eviction action for nonpayment of lot rental amount under section 327C.09, which was filed against the manufactured home owner prior to the mailing date of the closure statement under subdivision 1, and the writ of recovery has been ordered by the district court;

(5) the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park is the result of a taking or exercise of the power of eminent domain by a governmental entity or public utility; or

(6) the owner of the manufactured home is not a resident of the manufactured home park, as defined in section 327C.01, subdivision 9, or the owner of the manufactured home is a resident, but came to reside in the manufactured home park after the mailing date of the closure statement under subdivision 1.

(c) If the unencumbered fund balance in the manufactured home relocation trust fund is less than \$1,000,000 as of June 30 of each year, the commissioner of management and budget shall ~~annually~~ assess each manufactured home park owner by mail the total amount of \$12 for each licensed lot in their park, payable on or before September 15 of ~~each~~ that year. The commissioner of management and budget shall deposit ~~the any~~ payments in the Minnesota manufactured home relocation trust fund. On or before July 15 of each year, the commissioner of management and budget shall prepare and distribute to park owners a letter explaining whether funds are being collected for that year, information about the collection, an invoice for all licensed lots, and a sample form for the park owners to collect information on which park residents have been accounted for. If assessed under this paragraph, the park owner may recoup the cost of the \$12 assessment as a lump sum or as a monthly fee of no more than \$1 collected from park residents together with monthly lot rent as provided in section 327C.03, subdivision 6. Park owners may adjust payment for lots in their park that are vacant or otherwise not eligible for contribution to the trust fund under section 327C.095, subdivision 12, paragraph (b), and deduct from the assessment accordingly.

(d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by the neutral third party, on behalf of the Minnesota Housing Finance Agency, or by action in a court of appropriate jurisdiction. The court may award a prevailing party reasonable attorney fees, court costs, and disbursements.

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

Sec. 57. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall renumber each section of Minnesota Statutes listed in column A with the number listed in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

Column A

326B.82, subd. 2
326B.82, subd. 3
326b.82, subd. 5
326B.82, subd. 7

Column B

326B.091, subd. 2a
326B.091, subd. 2b
326B.091, subd. 2c
326B.091, subd. 4a

<u>326B.82, subd. 8</u>	<u>326B.091, subd. 5a</u>
<u>326B.82, subd. 9</u>	<u>326B.091, subd. 5c</u>
<u>326B.82, subd. 10</u>	<u>326B.091, subd. 7</u>
<u>326B.821, subd. 4</u>	<u>326B.0981, subd. 17</u>
<u>326B.821, subd. 5</u>	<u>326B.0981, subd. 3</u>
<u>326B.821, subd. 5a</u>	<u>326B.0981, subd. 4</u>
<u>326B.821, subd. 6</u>	<u>326B.0981, subd. 5</u>
<u>326B.821, subd. 7</u>	<u>326B.0981, subd. 6</u>
<u>326B.821, subd. 8</u>	<u>326B.099, subd. 1</u>
<u>326B.821, subd. 9</u>	<u>326B.099, subd. 2</u>
<u>326B.821, subd. 10</u>	<u>326B.099, subd. 3</u>
<u>326B.821, subd. 11</u>	<u>326B.099, subd. 4</u>
<u>326B.821, subd. 12</u>	<u>326B.0981, subd. 7</u>
<u>326B.821, subd. 13</u>	<u>326B.0981, subd. 8</u>
<u>326B.821, subd. 14</u>	<u>326B.0981, subd. 9</u>
<u>326B.821, subd. 15</u>	<u>326B.0981, subd. 10</u>
<u>326B.821, subd. 16</u>	<u>326B.0981, subd. 11</u>
<u>326B.821, subd. 17</u>	<u>326B.099, subd. 5</u>
<u>326B.821, subd. 18</u>	<u>326B.0981, subd. 12</u>
<u>326B.821, subd. 19</u>	<u>326B.0981, subd. 13</u>
<u>326B.821, subd. 20</u>	<u>326B.0981, subd. 14</u>
<u>326B.821, subd. 22</u>	<u>326B.0981, subd. 2</u>
<u>326B.821, subd. 23</u>	<u>326B.0981, subd. 15</u>
<u>326B.821, subd. 24</u>	<u>326B.0981, subd. 16</u>

Sec. 58. **REPEALER.**

Minnesota Statutes 2010, sections 326B.82, subdivisions 4 and 6; and 326B.821, subdivision 3, are repealed.

EFFECTIVE DATE. This section is effective January 1, 2012."

Delete the title and insert:

"A bill for an act relating to economic development; modifying certain economic development, fees, and licensing provisions; modifying certain occupational continuing education requirements; clarifying and modifying regulation of medical gas system and manufactured home provisions; requiring reports; appropriating money for jobs, economic development, and housing purposes; amending Minnesota Statutes 2010, sections 116J.035, by adding a subdivision; 116J.8737, subdivisions 1, 2, 4; 116L.3625; 116L.62; 154.06; 154.065, subdivision 2; 154.08; 154.11, subdivision 1; 154.12; 181.723, subdivision 5; 182.6553, subdivision 6; 268.18, subdivisions 2, 2b; 268.199; 298.17; 326B.04, subdivision 2; 326B.091; 326B.098; 326B.13, subdivision 8; 326B.148, subdivision 1; 326B.42, subdivisions 8, 9, 10, by adding subdivisions; 326B.435, subdivision 2; 326B.438; 326B.46, subdivisions 1a, 1b, 2, 3; 326B.47, subdivisions 1, 3; 326B.49, subdivision 1; 326B.56, subdivision 1; 326B.58; 326B.82, subdivisions 2, 3, 7, 9; 326B.821, subdivisions 1, 5, 5a, 6, 7, 8, 9, 10, 11, 12, 15, 16, 18, 19, 20, 22, 23; 326B.865; 326B.89, subdivisions 6, 8; 327.32, subdivisions 1a, 1b, 1e, 1f, 7; 327.33, subdivision 2; 327C.095, subdivision 12; 341.321; Laws 2009, chapter 78, article 1, section 18; proposing coding for new law in Minnesota Statutes, chapter 326B; repealing Minnesota Statutes 2010, sections 326B.82, subdivisions 4, 6; 326B.821, subdivision 3."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Holberg from the Committee on Ways and Means to which was referred:

S. F. No. 1016, A bill for an act relating to state government; appropriating money for agriculture, the Board of Animal Health, and the Agricultural Utilization Research Institute; modifying certain fees; modifying certain restrictions on farm disposal; clarifying the authority of certain entities; amending Minnesota Statutes 2010, sections 17.135; 18B.03, subdivision 1; 18C.005, by adding a subdivision; 18C.111, by adding a subdivision; 18C.131; 18C.425, by adding a subdivision; 18D.201, subdivision 5, by adding a subdivision; 18E.03, subdivision 4; 27.041, by adding a subdivision; 38.01; 373.01, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 115A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this act.

	<u>2012</u>	<u>2013</u>	<u>Total</u>
<u>General</u>	\$42,287,000	\$34,314,000	\$76,601,000
<u>Agricultural</u>	\$800,000	\$800,000	\$1,600,000
<u>Remediation</u>	\$388,000	\$388,000	\$776,000
<u>Total</u>	<u>\$43,475,000</u>	<u>\$35,502,000</u>	<u>\$78,977,000</u>

Sec. 2. **AGRICULTURE APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this act. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2012" and "2013" used in this act mean that the appropriations listed under them are available for the fiscal year ending June 30, 2012, or June 30, 2013, respectively. "The first year" is fiscal year 2012. "The second year" is fiscal year 2013. "The biennium" is fiscal years 2012 and 2013.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2012</u>	<u>2013</u>

Sec. 3. **DEPARTMENT OF AGRICULTURE**

<u>Subdivision 1. Total Appropriation</u>	<u>\$35,851,000</u>	<u>\$27,878,000</u>
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Appropriations by Fund

	<u>2012</u>	<u>2013</u>
<u>General</u>	34,663,000	26,690,000
<u>Remediation</u>	388,000	388,000
<u>Agricultural</u>	800,000	800,000

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

Subd. 2. Protection Services12,193,00012,193,000Appropriations by Fund

<u>General</u>	<u>11,805,000</u>	<u>11,805,000</u>
<u>Remediation</u>	<u>388,000</u>	<u>388,000</u>

\$388,000 the first year and \$388,000 the second year are from the remediation fund for administrative funding for the voluntary cleanup program.

\$75,000 the first year and \$75,000 the second year are for compensation for destroyed or crippled animals under Minnesota Statutes, section 3.737. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

\$75,000 the first year and \$75,000 the second year are for compensation for crop damage under Minnesota Statutes, section 3.7371. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

If the commissioner determines that claims made under Minnesota Statutes, section 3.737 or 3.7371, are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program.

\$245,000 the first year and \$245,000 the second year are for an increase in retail food handler inspections. This is a onetime appropriation. No later than February 1, 2013, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance regarding the commissioner's progress in addressing the department's perceived shortfall of necessary inspections.

Subd. 3. Agricultural Marketing and Development3,632,0003,632,000

\$186,000 the first year and \$186,000 the second year are for transfer to the Minnesota grown account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.102. Grants may be made for one year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2013, for Minnesota grown grants in this paragraph are available until June 30, 2015. \$50,000 of the appropriation in each year is for efforts to promote Minnesota grown products in retail food establishments including but not limited to restaurants, grocery stores, and convenience stores.

Up to \$100,000 each year may be used for grants to farmers for demonstration projects involving sustainable agriculture as authorized in Minnesota Statutes, section 17.116. Of the amount

for grants, up to \$20,000 may be used for dissemination of information about the demonstration projects. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2013, for sustainable agriculture grants in this paragraph are available until June 30, 2015.

\$100,000 the first year and \$100,000 the second year are to provide training and technical assistance to county and town officials relating to livestock siting issues and local zoning and land use planning, including maintenance of the checklist template clarifying the federal, state, and local government requirements for consideration of an animal agriculture modernization or expansion project. For the training and technical assistance program, the commissioner shall continue to seek guidance, advice, and support of livestock producer organizations, general agricultural organizations, local government associations, academic institutions, other government agencies, and others with expertise in land use and agriculture.

\$10,000 the first year and \$10,000 the second year are for annual cost-share payments to resident farmers or persons who sell, process, or package agricultural products in this state for the costs of organic certification. Annual cost-share payments per farmer must be two-thirds of the cost of the certification or \$350, whichever is less. In any year that a resident farmer or person who sells, processes, or packages agricultural products in this state receives a federal organic certification cost-share payment, that resident farmer or person is not eligible for state cost-share payments. A certified farmer is eligible to receive annual certification cost-share payments for up to five years. The commissioner may allocate any excess appropriation in either fiscal year for organic market and program development including organic producer education efforts, assistance for persons transitioning from conventional to organic agriculture, or sustainable agriculture demonstration grants authorized under Minnesota Statutes, section 17.116, and pertaining to organic research or demonstration. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

\$100,000 each year is for a licensed education professional for the Agriculture in the Classroom program to develop and disseminate curriculum, provide teacher training opportunities, and work with schools to enhance agricultural literacy by incorporating agriculture into classroom curriculum.

Subd. 4. Bioenergy and Value-Added Agriculture

13,353,000

5,280,000

\$13,353,000 the first year is for final ethanol producer deficiency payments under Minnesota Statutes, section 41A.09. If the appropriation in either year exceeds the total amount for which all

producers are eligible, the balance in the appropriation is available for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. The funding base for this program in fiscal year 2014 and fiscal year 2015 is \$10,291,000 per year.

Subd. 5. Administration and Financial Assistance

6,673,000

6,773,000

Appropriations by Fund

<u>General</u>	<u>5,873,000</u>	<u>5,973,000</u>
<u>Agricultural</u>	<u>800,000</u>	<u>800,000</u>

\$634,000 the first year and \$634,000 the second year are for continuation of the dairy development and profitability enhancement and dairy business planning grant programs established under Laws 1997, chapter 216, section 7, subdivision 2, and Laws 2001, First Special Session chapter 2, section 9, subdivision 2. The commissioner may allocate the available sums among permissible activities, including efforts to improve the quality of milk produced in the state in the proportions that the commissioner deems most beneficial to Minnesota's dairy farmers. The commissioner must submit a detailed accomplishment report and a work plan detailing future plans for, and anticipated accomplishments from, expenditures under this program to the chairs and ranking minority members of the legislative committees with jurisdiction over agricultural policy and finance on or before the start of each fiscal year. If significant changes are made to the plans in the course of the year, the commissioner must notify the chairs and ranking minority members.

\$47,000 the first year and \$47,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment.

\$18,000 the first year and \$18,000 the second year are for a grant to the Minnesota Livestock Breeders Association.

\$235,000 the first year and \$235,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

\$474,000 the first year and \$474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations shall be disbursed no later than July 15 of each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

\$1,000 the first year and \$1,000 the second year are for grants to the Minnesota State Poultry Association.

\$108,000 the first year and \$108,000 the second year are for annual grants to the Minnesota Turf Seed Council for basic and applied research on: (1) the improved production of forage and turf seed related to new and improved varieties; and (2) native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability. The grant recipient may subcontract with a qualified third party for some or all of the basic or applied research. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable.

\$500,000 the first year and \$500,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Second Harvest food banks for the purchase of milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Second Harvest food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program (TEFAP). Second Harvest Heartland must submit quarterly reports to the commissioner on forms prescribed by the commissioner. The reports must include, but are not limited to, information on the expenditure of funds, the amount of milk purchased, and the organizations to which the milk was distributed. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank receiving money from this appropriation may use up to two percent of the grant for administrative expenses.

\$94,000 the first year and \$94,000 the second year are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities for statewide mental health counseling support to farm families and business operators through farm business management programs at Central Lakes College and Ridgewater College.

\$17,000 the first year and \$17,000 the second year are for grants to the Minnesota Horticultural Society.

Notwithstanding Minnesota Statutes, section 18C.131, \$800,000 the first year and \$800,000 the second year are from the fertilizer account in the agricultural fund for grants for fertilizer research as awarded by the Minnesota Agricultural Fertilizer Research and Education Council under Minnesota Statutes, section 18C.71. The amount appropriated in either fiscal year must not exceed 57

percent of the inspection fee revenue collected under Minnesota Statutes, section 18C.425, subdivision 6, during the previous fiscal year. No later than February 1, 2013, the commissioner shall report to the legislative committees with jurisdiction over agriculture finance. The report must include the progress and outcome of funded projects as well as the sentiment of the council concerning the need for additional research funds.

\$100,000 the second year is for a grant to the Center for Rural Policy and Development in St. Peter.

The commissioner may allocate operating reductions in this subdivision to program operations throughout the agency.

Sec. 4. <u>BOARD OF ANIMAL HEALTH</u>	<u>\$4,841,000</u>	<u>\$4,841,000</u>
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Sec. 5. <u>AGRICULTURAL UTILIZATION RESEARCH INSTITUTE</u>	<u>\$2,783,000</u>	<u>\$2,783,000</u>
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Sec. 6. Minnesota Statutes 2010, section 18C.005, is amended by adding a subdivision to read:

Subd. 1b. **Ammonia and anhydrous ammonia.** "Ammonia" and "anhydrous ammonia" are used interchangeably and mean a compound formed by the chemical combinations of the elements nitrogen and hydrogen in the molar proportion of one part nitrogen to three parts hydrogen. This relationship is shown by the chemical formula, NH₃. On a weight basis, the ratio is 14 parts nitrogen to three parts hydrogen or approximately 82 percent nitrogen to 18 percent hydrogen. Ammonia may exist in either a gaseous or a liquid state. Ammonia or anhydrous ammonia does not include aqua ammonia or ammonium hydroxide, which are solutions of ammonia in water and are sometimes called ammonia.

Sec. 7. Minnesota Statutes 2010, section 18C.111, is amended by adding a subdivision to read:

Subd. 4. **Certification of regulatory compliance.** (a) The commissioner may, under rules adopted under section 18C.121, subdivision 1, certify a person to offer or perform a regulatory compliance inspection of any person or site that stores, handles, or distributes ammonia or anhydrous ammonia fertilizer.

(b) Pursuant to those rules, a person certified under paragraph (a) may issue a certification of compliance to an inspected person or site if the certified person documents in writing full compliance with the provisions of this chapter and rules adopted under this chapter.

(c) A person or site issued a certification of compliance must provide a copy of the certification to the commissioner immediately upon request or within 90 days following certification.

(d) Certifications of compliance are valid for a period of three years. The commissioner may determine a different time period in the interest of public safety or for other reasonable cause.

Sec. 8. Minnesota Statutes 2010, section 18D.201, is amended by adding a subdivision to read:

Subd. 7. **Compliance and inspection frequency.** (a) The commissioner may implement policies and procedures that provide for a decrease in the frequency of regulatory inspection for a person or site issued a certification of compliance pursuant to section 18C.111, subdivision 4.

(b) The commissioner must consider the compliance history, enforcement record, and other public safety or environmental risk factors in determining the eligibility of a person or site for the reduced frequency of inspection described in paragraph (a). If the commissioner determines that a person or site is ineligible, the commissioner must notify the person or site of that ineligibility and the reasons for that determination.

(c) The compliance findings of the commissioner's inspection of a person or site that stores, handles, or distributes ammonia and anhydrous ammonia fertilizer may be used as a basis for decreased frequency of regulatory inspection, as described in paragraphs (a) and (b).

Sec. 9. Minnesota Statutes 2010, section 18E.03, subdivision 4, is amended to read:

Subd. 4. **Fee.** (a) The response and reimbursement fee consists of the surcharges and any adjustments made by the commissioner in this subdivision and shall be collected by the commissioner. The amount of the response and reimbursement fee shall be determined and imposed annually by the commissioner as required to satisfy the requirements in subdivision 3. The commissioner shall adjust the amount of the surcharges imposed in proportion to the amount of the surcharges listed in this subdivision. License application categories under paragraph (d) must be charged in proportion to the amount of surcharges imposed up to a maximum of 50 percent of the license fees set under chapters 18B and 18C.

(b) The commissioner shall impose a surcharge on pesticides registered under chapter 18B to be collected as a surcharge on the gross sales under section 18B.26, subdivision 3, that is equal to 0.1 percent of sales of the pesticide in the state and sales of pesticides for use in the state during the previous calendar year, except the surcharge may not be imposed on pesticides that are sanitizers or disinfectants as determined by the commissioner. No surcharge is required if the surcharge amount based on percent of annual gross sales of a nonagricultural pesticide is less than \$10. Sales of pesticides in the state for use outside of the state are exempt from the surcharge in this paragraph if the registrant, agricultural pesticide dealer, or pesticide dealer properly documents the sale location and the distributors.

(c) The commissioner shall impose a ten cents per ton surcharge on the inspection fee under section 18C.425, subdivision 6, for fertilizers, soil amendments, and plant amendments.

(d) The commissioner shall impose a surcharge on the license application of persons licensed under chapters 18B and 18C consisting of:

(1) a \$75 surcharge for each site where pesticides are stored or distributed, to be imposed as a surcharge on pesticide dealer application fees under section 18B.31, subdivision 5, and the agricultural pesticide dealer application fee under section 18B.316, subdivision 10;

(2) a \$75 surcharge for each site where a fertilizer, plant amendment, or soil amendment is distributed, to be imposed on persons licensed under sections 18C.415 and 18C.425;

(3) a \$50 surcharge to be imposed on a structural pest control applicator license application under section 18B.32, subdivision 6, for business license applications only;

(4) a \$20 surcharge to be imposed on commercial applicator license application fees under section 18B.33, subdivision 7; and

(5) a \$20 surcharge to be imposed on noncommercial applicator license application fees under section 18B.34, subdivision 5, except a surcharge may not be imposed on a noncommercial applicator that is a state agency, political subdivision of the state, the federal government, or an agency of the federal government.

(e) A \$1,000 fee shall be imposed on each site where pesticides are stored and sold for use outside of the state unless:

(1) the distributor properly documents that it has less than \$2,000,000 per year in wholesale value of pesticides stored and transferred through the site; or

(2) the registrant pays the surcharge under paragraph (b) and the registration fee under section 18B.26, subdivision 3, for all of the pesticides stored at the site and sold for use outside of the state.

(f) Paragraphs (c) to (e) apply to sales, licenses issued, applications received for licenses, and inspection fees imposed on or after July 1, 1990.

Sec. 10. Minnesota Statutes 2010, section 27.041, is amended by adding a subdivision to read:

Subd. 3. **Account; appropriation.** A wholesale produce dealers account is created in the agricultural fund. All fees, charges, and penalties collected under sections 27.01 to 27.069 and 27.11 to 27.19, including interest attributable to that money, shall be deposited in the wholesale produce dealers account. Money in the account is appropriated to the commissioner for the purposes of sections 27.01 to 27.069 and 27.11 to 27.19.

Sec. 11. Minnesota Statutes 2010, section 38.01, is amended to read:

38.01 COUNTY AGRICULTURAL SOCIETIES; FORMATION, POWERS.

(a) An agricultural society or association may be incorporated by citizens of any county, or two or more counties jointly, but only one agricultural society shall be organized in any county. An agricultural society may sue and be sued in its corporate name; may adopt bylaws, rules, and regulations, alter and amend the same; may purchase and hold, lease and control any real or personal property deemed to promote the objects of the society, and may rent, lease, sell, exchange, and convey the same. Any income from the rental or lease of the property may be used for any or all of the following purposes: (1) Acquisition of additional real property; (2) Construction of additional buildings; or (3) Maintenance and care of the society's property. This section shall not be construed to preclude the continuance of any agricultural society now existing or the granting of aid to the society.

(b) An agricultural society shall have jurisdiction and control of the grounds upon which its fairs are held and of the streets and adjacent grounds during the fair, so far as may be necessary for fair purposes, and are exempt from local zoning ordinances throughout the year as provided in section 38.16.

(c) The society may contract with the sheriff, local municipality, or security guard as defined in section 626.88 to provide the society with police service. A person providing police service pursuant to a contract is not, by reason of the contract, classified as an employee of the agricultural society for any purpose other than the discharge of powers and duties under the contract.

(d) Any person who shall willfully violate any rule or regulation made by agricultural societies during the days of a fair shall be guilty of a misdemeanor.

The provisions of this section supersede all special laws on the same subject.

Sec. 12. Minnesota Statutes 2010, section 41A.12, subdivision 3, is amended to read:

Subd. 3. **Oversight.** The commissioner, ~~in consultation with the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over agriculture finance,~~ must allocate available funds ~~among eligible uses~~ as specified by the legislature, develop competitive eligibility criteria, and award funds on a needs basis.

Sec. 13. Minnesota Statutes 2010, section 373.01, subdivision 1, is amended to read:

Subdivision 1. **Public corporation; listed powers.** (a) Each county is a body politic and corporate and may:

- (1) Sue and be sued.
- (2) Acquire and hold real and personal property for the use of the county, and lands sold for taxes as provided by law.
- (3) Purchase and hold for the benefit of the county real estate sold by virtue of judicial proceedings, to which the county is a party.
- (4) Sell, lease, and convey real or personal estate owned by the county, and give contracts or options to sell, lease, or convey it, and make orders respecting it as deemed conducive to the interests of the county's inhabitants.
- (5) Make all contracts and do all other acts in relation to the property and concerns of the county necessary to the exercise of its corporate powers.

(b) No sale, lease, or conveyance of real estate owned by the county, except the lease of a residence acquired for the furtherance of an approved capital improvement project, nor any contract or option for it, shall be valid, without first advertising for bids or proposals in the official newspaper of the county for three consecutive weeks and once in a newspaper of general circulation in the area where the property is located. The notice shall state the time and place of considering the proposals, contain a legal description of any real estate, and a brief description of any personal property. Leases that do not exceed \$15,000 for any one year may be negotiated and are not subject to the competitive bid procedures of this section. All proposals estimated to exceed \$15,000 in any one year shall be considered at the time set for the bid opening, and the one most favorable to the county accepted, but the county board may, in the interest of the county, reject any or all proposals.

(c) Sales of personal property the value of which is estimated to be \$15,000 or more shall be made only after advertising for bids or proposals in the county's official newspaper, on the county's Web site, or in a recognized industry trade journal. At the same time it posts on its Web site or publishes in a trade journal, the county must publish in the official newspaper, either as part of the minutes of a regular meeting of the county board or in a separate notice, a summary of all requests for bids or proposals that the county advertises on its Web site or in a trade journal. After publication in the official newspaper, on the Web site, or in a trade journal, bids or proposals may be solicited and accepted by the electronic selling process authorized in section 471.345, subdivision 17. Sales of personal property the value of which is estimated to be less than \$15,000 may be made either on competitive bids or in the open market, in the discretion of the county board. "Web site" means a specific, addressable location provided on a server connected to the Internet and hosting World Wide Web pages and other files that are generally accessible on the Internet all or most of a day.

(d) Notwithstanding anything in this section to the contrary ~~herein~~, the county may; exchange parcels of real property of substantially similar or equal value without advertising for bids, subject to clause (1) or (2).

(1) When acquiring real property for county highway right-of-way, exchange parcels of real property of substantially similar or equal value without advertising for bids. the estimated values for these parcels shall be determined by the county assessor.

(2) When acquiring real property for any other purpose, the estimated values for these parcels must be determined by the county assessor or a private Minnesota licensed real estate appraiser. The private appraised value of the parcels must be substantially equal to the county assessor's estimated market value of similar land, as adjusted by the sales ratio determined by the commissioner of revenue. Before giving final approval to the exchange of land, the county board shall hold a public hearing on the exchange. At least two weeks before the hearing, the county auditor shall post a hearing notice in the auditor's office and the official newspaper of the county that contains a description of the lands affected.

(e) If real estate or personal property remains unsold after advertising for and consideration of bids or proposals the county may employ a broker to sell the property. The broker may sell the property for not less than 90 percent of its appraised market value as determined by the county. The broker's fee shall be set by agreement with the county but may not exceed ten percent of the sale price and must be paid from the proceeds of the sale.

(f) A county or its agent may rent a county-owned residence acquired for the furtherance of an approved capital improvement project subject to the conditions set by the county board and not subject to the conditions for lease otherwise provided by paragraph (a), clause (4), and paragraphs (b), (c), (d), (e), and (g).

(g) In no case shall lands be disposed of without there being reserved to the county all iron ore and other valuable minerals in and upon the lands, with right to explore for, mine and remove the iron ore and other valuable minerals, nor shall the minerals and mineral rights be disposed of, either before or after disposition of the surface rights, otherwise than by mining lease, in similar general form to that provided by section 93.20 for mining leases affecting state lands. The lease shall be for a term not exceeding 50 years, and be issued on a royalty basis, the royalty to be not less than 25 cents per ton of 2,240 pounds, and fix a minimum amount of royalty payable during each year, whether mineral is removed or not. Prospecting options for mining leases may be granted for periods not exceeding one year. The options shall require, among other things, periodical showings to the county board of the results of exploration work done.

(h) Notwithstanding anything in this subdivision to the contrary, the county may, when selling real property owned in fee simple that cannot be improved because of noncompliance with local ordinances regarding minimum area, shape, frontage, or access, proceed to sell the nonconforming parcel without advertising for bid. At the county's discretion, the real property may be restricted to sale to adjoining landowners or may be sold to any other interested party. The property shall be sold to the highest bidder, but in no case shall the property be sold for less than 90 percent of its fair market value as determined by the county assessor. All owners of land adjoining the land to be sold shall be given a written notice at least 30 days before the sale. This paragraph shall be liberally construed to encourage the sale of nonconforming real property and promote its return to the tax roles.

Sec. 14. **REPEALER.**

Minnesota Statutes 2010, section 41A.09, subdivisions 1a, 2a, 3a, 4, and 10, are repealed.

EFFECTIVE DATE. This section is effective June 30, 2012."

Delete the title and insert:

"A bill for an act relating to agriculture; appropriating money for agriculture, the Board of Animal Health, and the Agricultural Utilization Research Institute; changing certain agriculture-related provisions, requirements, and programs; amending Minnesota Statutes 2010, sections 18C.005, by adding a subdivision; 18C.111, by adding a subdivision; 18D.201, by adding a subdivision; 18E.03, subdivision 4; 27.041, by adding a subdivision; 38.01; 41A.12, subdivision 3; 373.01, subdivision 1; repealing Minnesota Statutes 2010, section 41A.09, subdivisions 1a, 2a, 3a, 4, 10."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF SENATE BILLS

S. F. Nos. 191 and 1016 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Abeler; Huntley; Gottwalt; Murphy, E.; Kiffmeyer; Hosch; Hayden and Liebling introduced:

H. F. No. 1320, A bill for an act relating to human services; establishing a sex offender civil commitment petition screening panel for purposes of determining whether the civil commitment of certain sex offenders is appropriate; requiring county payment of certain expenses; providing for the identification and development of alternative treatment facilities; providing for reduction in custody petitions for patients in alternative programs or assisted living units; requiring implementation of the statewide judicial panel for commitment proceedings regarding sexual psychopathic personalities and sexually dangerous persons; providing for consideration of alternatives to commitment or alternative treatment programs in certain cases; including provisions governing a stay of commitment; amending Minnesota Statutes 2010, sections 244.05, subdivision 7; 246B.10; 253B.095, subdivisions 1, 2, 3; 253B.185, subdivisions 1, 4, 8, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 246B; 253B.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Woodard introduced:

H. F. No. 1321, A bill for an act relating to education; further clarifying charter school provisions; amending Minnesota Statutes 2010, section 124D.10.

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

Hoppe, Holberg and Zellers introduced:

H. F. No. 1322, A bill for an act relating to traffic regulations; amending requirements for travel in left-hand lanes; modifying driver's manual; making technical changes; appropriating money; amending Minnesota Statutes 2010, sections 169.18, subdivisions 7, 10, by adding a subdivision; 171.13, by adding a subdivision; 357.021, subdivision 6.

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

Hoppe introduced:

H. F. No. 1323, A bill for an act relating to insurance; providing for the establishment of an online motor vehicle insurance verification system; appropriating money; amending Minnesota Statutes 2010, section 169.09, subdivision 13; proposing coding for new law in Minnesota Statutes, chapter 169.

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

Crawford introduced:

H. F. No. 1324, A bill for an act relating to capital investment; appropriating money for publicly owned infrastructure in Braham; authorizing the sale and issuance of state bonds.

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

Melin, Anzelc and Rukavina introduced:

H. F. No. 1325, A bill for an act relating to capital investment; appropriating money for a grant to the city of Floodwood for business development public infrastructure; authorizing the sale and issuance of state bonds.

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

Atkins and Hoppe introduced:

H. F. No. 1326, A bill for an act relating to alcohol; allowing a bed and breakfast to serve Minnesota beer; amending Minnesota Statutes 2010, section 340A.4011, subdivision 2.

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform.

Anderson, B.; Dettmer; Leidiger; Kriesel; Lesch; Gunther; Anzelc and Gruenhagen introduced:

H. F. No. 1327, A bill for an act relating to veterans; changing the small business set-aside program for veteran-owned small businesses; authorizing county set-aside programs for veteran-owned small businesses; changing reporting requirements; amending Minnesota Statutes 2010, section 161.321, subdivisions 2, 5, 8, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 375.

The bill was read for the first time and referred to the Veterans Services Division.

Kahn; Liebling; Hayden; Murphy, E., and Norton introduced:

H. F. No. 1328, A bill for an act relating to health; strengthening state laws protecting the health of tanning salon customers; amending Minnesota Statutes 2010, sections 325H.01, subdivision 7; 325H.05; 325H.06; 325H.08; 325H.09.

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform.

Kahn; Liebling; Hayden; Murphy, E., and Norton introduced:

H. F. No. 1329, A bill for an act relating to health; regulating tanning facilities and their use; proposing coding for new law in Minnesota Statutes, chapter 325H; repealing Minnesota Statutes 2010, sections 325H.01; 325H.02; 325H.03; 325H.04; 325H.05; 325H.06; 325H.07; 325H.08; 325H.09; 325H.10.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Kahn; Dill; Hilty; Hansen; Murphy, M.; Huntley; Knuth and Davids introduced:

H. F. No. 1330, A bill for an act relating to natural resources; requiring notification of hunters on research bears; proposing coding for new law in Minnesota Statutes, chapter 97B.

The bill was read for the first time and referred to the Committee on Environment, Energy and Natural Resources Policy and Finance.

Benson, M., and Downey introduced:

H. F. No. 1331, A bill for an act relating to state government; requiring certain state agencies to enter into contracts to provide consulting services for improvements to certain state-operated systems and services.

The bill was read for the first time and referred to the Committee on Government Operations and Elections.

FISCAL CALENDAR

Pursuant to rule 1.22, Holberg requested immediate consideration of H. F. No. 1010.

H. F. No. 1010 was reported to the House.

McNamara moved to amend H. F. No. 1010, the second engrossment, as follows:

Page 39, delete section 17

Re-number the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

McNamara, Kriesel, Lohmer and Kieffer moved to amend H. F. No. 1010, the second engrossment, as amended, as follows:

Page 5, after line 14, insert:

"\$128,000 the first year is from the environmental fund for transfer to the Department of Health to complete the environmental health tracking and biomonitoring analysis related to perfluorochemicals and disseminate the results."

The motion prevailed and the amendment was adopted.

McNamara moved to amend H. F. No. 1010, the second engrossment, as amended, as follows:

Page 43, delete section 22

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 McNamara amendment and the roll was called. There were 106 yeas and 22 nays as follows:

Those who voted in the affirmative were:

Abeler	Dettmer	Hilty	Lenczewski	Mullery	Schomacker
Anderson, B.	Dill	Holberg	Lesch	Murphy, E.	Simon
Anderson, D.	Dittrich	Hoppe	Liebling	Murphy, M.	Slawik
Anderson, P.	Doepke	Hornstein	Lillie	Murray	Slocum
Anderson, S.	Eken	Hortman	Loeffler	Myhra	Smith
Anzelc	Falk	Hosch	Lohmer	Nelson	Stensrud
Banaian	Franson	Howes	Loon	Nornes	Thissen
Barrett	Fritz	Johnson	Mahoney	Norton	Tillberry
Beard	Gauthier	Kahn	Mariani	Paymar	Torkelson
Benson, J.	Gottwalt	Kath	Marquart	Pelowski	Urdahl
Brynaert	Greene	Kieffer	Mazorol	Persell	Vogel
Carlson	Greiling	Kiel	McDonald	Petersen, B.	Wagenius
Champion	Gunther	Kiffmeyer	McElfrick	Peterson, S.	Westrom
Clark	Hamilton	Knuth	McFarlane	Poppe	Winkler
Cornish	Hansen	Koenen	McNamara	Rukavina	Woodard
Crawford	Hausman	Kriesel	Melin	Runbeck	Spk. Zellers
Davnie	Hayden	Lanning	Moran	Sanders	
Dean	Hilstrom	LeMieur	Morrow	Scalze	

Those who voted in the negative were:

Benson, M.	Davids	Fabian	Hancock	Peppin	Swedzinski
Bills	Downey	Garofalo	Kelly	Quam	Wardlow
Buesgens	Draskowski	Gruenhagen	Leidiger	Scott	
Daudt	Erickson	Hackbarth	O'Driscoll	Shimanski	

The motion prevailed and the amendment was adopted.

Torkelson and McNamara moved to amend H. F. No. 1010, the second engrossment, as amended, as follows:

Page 51, line 25, delete "State Recreation" and insert "Scientific and Natural"

Page 51, line 32, delete "state recreation" and insert "scientific and natural"

Page 51, line 34, delete "85.013" and insert "86A.05, subdivision 5"

Page 52, line 28, delete "State" and insert "Scientific and Natural"

Page 52, line 29, delete "Recreation"

Page 53, line 1, delete "state" and insert "scientific and natural"

Page 53, line 2, delete "recreation"

Page 53, line 3, delete "85.013" and insert "86A.05, subdivision 5"

The motion prevailed and the amendment was adopted.

Drazkowski moved to amend H. F. No. 1010, the second engrossment, as amended, as follows:

Page 50, line 10, delete "\$1,500,000" and insert "\$1,783,000" and delete "\$1,500,000" and insert "\$1,783,000"

Page 50, line 14, after the period, insert "Of this amount, \$283,000 the first year and \$283,000 the second year are for deposit into the environment and natural resources trust fund land management account within the special revenue fund to be used to pay for future restoration and enhancement of lands purchased in fee with money from the trust fund and held by the state and to make the payments required under Minnesota Statutes, sections 97A.061, subdivision 1, and 477A.12, for lands purchased in fee with money from the trust fund."

Page 51, line 27, delete "\$820,000" and insert "\$912,000" and delete "\$820,000" and insert "\$912,000"

Page 52, line 1, after the period, insert "Of this amount, \$92,000 the first year and \$92,000 the second year are for deposit into the environment and natural resources trust fund land management account within the special revenue fund to be used to pay for future restoration and enhancement of lands purchased in fee with money from the trust fund and held by the state and to make the payments required under Minnesota Statutes, sections 97A.061, subdivision 1, and 477A.12, for lands purchased in fee with money from the trust fund."

Page 52, line 13, delete "\$1,000,000" and insert "\$1,187,000" and delete "\$1,000,000" and insert "\$1,187,000"

Page 52, line 23, after the period, insert "Of this amount, \$187,000 the first year and \$187,000 the second year are for deposit into the environment and natural resources trust fund land management account within the special revenue fund to be used to pay for future restoration and enhancement of lands purchased in fee with money from the trust fund and held by the state and to make the payments required under Minnesota Statutes, sections 97A.061, subdivision 1, and 477A.12 for lands purchased in fee with money from the trust fund." and after "\$10,000" insert "of the total amount appropriated"

Page 52, line 30, delete "\$1,000,000" and insert "\$1,187,000" and delete "\$1,000,000" and insert "\$1,187,000"

Page 53, line 9, after the period, insert "Of this amount, \$187,000 the first year and \$187,000 the second year are for deposit into the environment and natural resources trust fund land management account within the special revenue fund to be used to pay for future

restoration and enhancement of lands purchased in fee with money from the trust fund and held by the state and to make the payments required under Minnesota Statutes, sections 97A.061, subdivision 1, and 477A.12, for lands purchased in fee with money from the trust fund."

Page 53, line 10, after "\$54,000" insert "of the total amount appropriated"

Page 53, line 32, delete "\$1,737,000" and insert "\$1,765,000" and delete "\$1,738,000" and insert "\$1,765,000"

Page 54, line 25, after the period, insert "Of the total appropriation, \$28,000 the first year and \$28,000 the second year are for deposit into the environment and natural resources trust fund land management account within the special revenue fund to be used to pay for future restoration and enhancement of lands purchased in fee with money from the trust fund and held by the state and to make the payments required under Minnesota Statutes, sections 97A.061, subdivision 1, and 477A.12 for lands purchased in fee with money from the trust fund."

Page 55, line 22, delete "\$1,737,000" and insert "\$1,765,000" and delete "\$1,738,000" and insert "\$1,766,000"

Page 56, line 13, after the period, insert "Of the total appropriation, \$28,000 the first year and \$28,000 the second year are for deposit into the environment and natural resources trust fund land management account within the special revenue fund to be used to pay for future restoration and enhancement of lands purchased in fee with money from the trust fund and held by the state and to make the payments required under Minnesota Statutes, sections 97A.061, subdivision 1, and 477A.12 for lands purchased in fee with money from the trust fund."

Page 65, delete lines 32 to 33

Page 66, delete lines 1 to 12

Adjust amounts accordingly

The motion prevailed and the amendment was adopted.

Hackbarth moved to amend H. F. No. 1010, the second engrossment, as amended.

Thissen requested a division of the Hackbarth amendment to H. F. No. 1010, the second engrossment, as amended.

The first portion of the Hackbarth amendment to H. F. No. 1010, the second engrossment, as amended, reads as follows:

Page 13, after line 11, insert:

"The commissioner shall not close any state park or state recreation area between July 1, 2011, and June 30, 2013, that is funded with money appropriated in this article."

A roll call was requested and properly seconded.

The question was taken on the first portion of the Hackbarth amendment and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Hansen	Leidiger	Murphy, E.	Shimanski
Anderson, B.	Dill	Hausman	LeMieur	Murphy, M.	Simon
Anderson, D.	Dittrich	Hayden	Lenczewski	Murray	Slawik
Anderson, P.	Doepke	Hilstrom	Lesch	Myhra	Slocum
Anderson, S.	Downey	Hilty	Liebling	Nelson	Smith
Anzelc	Drazkowski	Holberg	Lillie	Nornes	Stensrud
Banaian	Eken	Hoppe	Loeffler	Norton	Swedzinski
Barrett	Erickson	Hornstein	Lohmer	O'Driscoll	Thissen
Beard	Fabian	Hortman	Loon	Paymar	Tillberry
Benson, J.	Falk	Hosch	Mack	Pelowski	Torkelson
Benson, M.	Franson	Howes	Mahoney	Peppin	Urdahl
Bills	Fritz	Johnson	Mariani	Persell	Vogel
Brynaert	Garofalo	Kahn	Marquart	Petersen, B.	Wagenius
Buesgens	Gauthier	Kath	Mazorol	Peterson, S.	Wardlow
Carlson	Gottwalt	Kelly	McDonald	Poppe	Westrom
Champion	Greene	Kieffer	McElfratrick	Quam	Winkler
Clark	Greiling	Kiel	McFarlane	Rukavina	Woodard
Cornish	Gruenhagen	Kiffmeyer	McNamara	Runbeck	Spk. Zellers
Crawford	Gunther	Knuth	Melin	Sanders	
Daudt	Hackbarth	Koenen	Moran	Scalze	
Davids	Hamilton	Kriesel	Morrow	Schomacker	
Davnie	Hancock	Lanning	Mullery	Scott	

The motion prevailed and the first portion of the Hackbarth amendment was adopted.

Hackbarth withdrew the second portion of his amendment to H. F. No. 1010, the second engrossment, as amended.

Wagenius moved to amend H. F. No. 1010, the second engrossment, as amended, as follows:

Page 63, after line 6, insert:

"(c) Emerald Ash Borer Landscape Management Impacts

\$267,000 the first year and \$67,000 the second year are from the trust fund to the Board of Regents of the University of Minnesota to research impacts of insecticides used for managing emerald ash borers on other insects and birds. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered."

Page 65, delete lines 23 to 31

Reletter the paragraphs in sequence

Adjust amounts accordingly

A roll call was requested and properly seconded.

The question was taken on the Wagenius amendment and the roll was called. There were 54 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Anzelc	Fritz	Hornstein	Liebling	Murphy, E.	Rukavina
Benson, J.	Gauthier	Hortman	Lillie	Murphy, M.	Scalze
Brynaert	Greene	Hosch	Loeffler	Nelson	Simon
Carlson	Greiling	Johnson	Mahoney	Norton	Slawik
Champion	Hansen	Kahn	Mariani	Paymar	Slocum
Clark	Hausman	Kath	Melin	Pelowski	Thissen
Davnie	Hayden	Knuth	Moran	Persell	Tillberry
Dill	Hilstrom	Lenczewski	Morrow	Peterson, S.	Wagenius
Falk	Hilty	Lesch	Mullery	Poppe	Winkler

Those who voted in the negative were:

Abeler	Daudt	Gottwalt	Koenen	McNamara	Smith
Anderson, B.	Davids	Gruenhagen	Kriesel	Murray	Stensrud
Anderson, D.	Dean	Gunther	Lanning	Myhra	Swedzinski
Anderson, P.	Dettmer	Hackbarth	Leidiger	Nornes	Torkelson
Anderson, S.	Dittrich	Hamilton	LeMieur	O'Driscoll	Urdahl
Banaian	Doepke	Hancock	Lohmer	Peppin	Vogel
Barrett	Downey	Holberg	Loon	Petersen, B.	Wardlow
Beard	Drazkowski	Hoppe	Mack	Quam	Westrom
Benson, M.	Eken	Howes	Marquart	Runbeck	Woodard
Bills	Erickson	Kelly	Mazorol	Sanders	Spk. Zellers
Buesgens	Fabian	Kieffer	McDonald	Schomacker	
Cornish	Franson	Kiel	McElpatrick	Scott	
Crawford	Garofalo	Kiffmeyer	McFarlane	Shimanski	

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

McNamara, Dill, Rukavina and Anzelc moved to amend H. F. No. 1010, the second engrossment, as amended, as follows:

Page 10, after line 33, insert:

"After the commissioner approves a sustainable resources management plan, any division of the Department of Natural Resources seeking interaction with the Division of Forestry on projects to implement the plan must reimburse the Division of Forestry for time spent responding to questions, concerns, or challenges to the projects."

The motion prevailed and the amendment was adopted.

Hilty moved to amend H. F. No. 1010, the second engrossment, as amended, as follows:

Page 43, after line 20, insert:

"Sec. 23. **SALE OF STATE NURSERIES; MORATORIUM.**

The commissioner of natural resources shall not sell the state forest nurseries at the Baudora State Nursery or the General Andrews State Nursery until the commissioner determines that it is in the best interest of the state.

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

A roll call was requested and properly seconded.

The question was taken on the Hilty amendment and the roll was called. There were 61 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Abeler	Eken	Hornstein	Liebling	Murphy, M.	Slawik
Anzelc	Falk	Hortman	Lillie	Nelson	Slocum
Benson, J.	Fritz	Hosch	Loeffler	Norton	Thissen
Brynaert	Gauthier	Howes	Mahoney	Paymar	Tillberry
Carlson	Greene	Johnson	Mariani	Pelowski	Wagenius
Champion	Greiling	Kahn	Marquart	Persell	Winkler
Clark	Hansen	Kath	Melin	Peterson, S.	
Crawford	Hausman	Knuth	Moran	Poppe	
Davnie	Hayden	Koenen	Morrow	Rukavina	
Dill	Hilstrom	Lenczewski	Mullery	Scalze	
Dittrich	Hilty	Lesch	Murphy, E.	Simon	

Those who voted in the negative were:

Anderson, B.	Dauids	Gunther	Leidiger	Nornes	Swedzinski
Anderson, D.	Dean	Hackbarth	LeMieur	O'Driscoll	Torkelson
Anderson, P.	Dettmer	Hamilton	Lohmer	Peppin	Urdahl
Anderson, S.	Doepke	Hancock	Loon	Petersen, B.	Vogel
Banaian	Downey	Holberg	Mack	Quam	Wardlow
Barrett	Drazkowski	Hoppe	Mazorol	Runbeck	Westrom
Beard	Erickson	Kelly	McDonald	Sanders	Woodard
Benson, M.	Fabian	Kieffer	McElfatrick	Schomacker	Spk. Zellers
Bills	Franson	Kiel	McFarlane	Scott	
Buesgens	Garofalo	Kiffmeyer	McNamara	Shimanski	
Cornish	Gottwalt	Kriesel	Murray	Smith	
Daudt	Gruenhagen	Lanning	Myhra	Stensrud	

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

Brynaert moved to amend H. F. No. 1010, the second engrossment, as amended, as follows:

Page 64, line 1, before "Youth" insert "(a)"

Page 64, after line 11, insert:

"(b) Minnesota Junior Master Naturalist Program

\$267,000 the first year and \$98,000 the second year are from the trust fund to the Board of Regents of the University of Minnesota to expand the junior naturalist after-school programs. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered."

Page 64, line 15, delete the second "\$100,000" and insert "\$99,000"

Page 65, line 1, delete the second "\$600,000" and insert "\$597,000"

Page 65, line 7, delete "\$3,804,000" and insert "\$3,777,000"

Page 65, delete lines 23 to 31

Reletter the paragraphs in sequence

Adjust amounts accordingly

A roll call was requested and properly seconded.

The question was taken on the Brynaert amendment and the roll was called. There were 54 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Anzelc	Falk	Hilty	Lesch	Murphy, E.	Rukavina
Benson, J.	Fritz	Hornstein	Liebling	Murphy, M.	Scalze
Brynaert	Gauthier	Hortman	Lillie	Nelson	Simon
Carlson	Greene	Hosch	Loeffler	Norton	Slawik
Champion	Greiling	Johnson	Mariani	Paymar	Slocum
Clark	Hansen	Kahn	Marquart	Pelowski	Thissen
Davnie	Hausman	Knuth	Melin	Persell	Tillberry
Dill	Hayden	Koenen	Moran	Peterson, S.	Wagenius
Eken	Hilstrom	Lenczewski	Mullery	Poppe	Winkler

Those who voted in the negative were:

Abeler	Daudt	Gruenhagen	Kriesel	Myhra	Swedzinski
Anderson, B.	Dauids	Gunther	Lanning	Nornes	Torkelson
Anderson, D.	Dean	Hackbarth	Leidiger	O'Driscoll	Urdahl
Anderson, P.	Dettmer	Hamilton	LeMieur	Peppin	Vogel
Anderson, S.	Dittrich	Hancock	Lohmer	Petersen, B.	Wardlow
Banaian	Doepke	Holberg	Loon	Quam	Westrom
Barrett	Downey	Hoppe	Mack	Runbeck	Woodard
Beard	Drazkowski	Howes	Mazorol	Sanders	Spk. Zellers
Benson, M.	Erickson	Kath	McDonald	Schomacker	
Bills	Fabian	Kelly	McElpatrick	Scott	
Buesgens	Franson	Kieffer	McFarlane	Shimanski	
Cornish	Garofalo	Kiel	McNamara	Smith	
Crawford	Gottwalt	Kiffmeyer	Murray	Stensrud	

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

Gauthier moved to amend H. F. No. 1010, the second engrossment, as amended, as follows:

Page 60, after line 23, insert:

"(a) Lake Superior Water Quality Monitoring

\$267,000 the first year and \$233,000 the second year are from the trust fund to the Board of Regents of the University of Minnesota for the Large Lakes Observatory for research of Lake Superior waters to assess ecosystem health and water quality in response to environmental stresses. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered."

Page 64, line 15, delete the second "\$100,000" and insert "\$96,000"

Page 65, line 1, delete the second "\$600,000" and insert "\$574,000"

Page 65, line 7, delete "\$3,804,000" and insert "\$3,601,000"

Page 65, delete lines 23 to 31

Reletter the paragraphs in sequence

Adjust amounts accordingly

A roll call was requested and properly seconded.

The question was taken on the Gauthier amendment and the roll was called. There were 55 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Abeler	Falk	Hornstein	Lillie	Nelson	Slocum
Anzelc	Fritz	Hortman	Loeffler	Norton	Thissen
Benson, J.	Gauthier	Hosch	Mahoney	Paymar	Tillberry
Brynaert	Greene	Johnson	Mariani	Pelowski	Wagenius
Carlson	Greiling	Kahn	Marquart	Persell	Winkler
Champion	Hansen	Knuth	Melin	Peterson, S.	
Clark	Hausman	Koenen	Moran	Rukavina	
Davnie	Hayden	Lenczewski	Mullery	Scalze	
Dill	Hilstrom	Lesch	Murphy, E.	Simon	
Eken	Hilty	Liebling	Murphy, M.	Slawik	

Those who voted in the negative were:

Anderson, B.	Cornish	Erickson	Holberg	Leidiger	Morrow
Anderson, D.	Crawford	Fabian	Hoppe	LeMieur	Murray
Anderson, P.	Daudt	Franson	Howes	Lohmer	Myhra
Anderson, S.	Davids	Garofalo	Kath	Loon	Nornes
Banaian	Dean	Gottwalt	Kelly	Mack	O'Driscoll
Barrett	Dettmer	Gruenhagen	Kieffer	Mazorol	Peppin
Beard	Dittrich	Gunther	Kiel	McDonald	Petersen, B.
Benson, M.	Doepke	Hackbarth	Kiffmeyer	McElfrick	Poppe
Bills	Downey	Hamilton	Kriesel	McFarlane	Quam
Buesgens	Drazkowski	Hancock	Lanning	McNamara	Runbeck

Sanders	Shimanski	Swedzinski	Vogel	Woodard
Schomacker	Smith	Torkelson	Wardlow	Spk. Zellers
Scott	Stensrud	Urdahl	Westrom	

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

The Speaker called Lanning to the Chair.

Persell moved to amend H. F. No. 1010, the second engrossment, as amended.

Dill requested a division of the Persell amendment to H. F. No. 1010, the second engrossment, as amended.

The first portion of the Persell amendment to H. F. No. 1010, the second engrossment, as amended, reads as follows:

Page 41, delete section 20

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 first portion of the Persell amendment and the roll was called. There were 46 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Benson, J.	Falk	Hilty	Lesch	Murphy, E.	Simon
Brynaert	Fritz	Hornstein	Liebling	Murphy, M.	Slawik
Carlson	Greene	Hortman	Lillie	Nelson	Slocum
Champion	Greiling	Johnson	Loeffler	Norton	Thissen
Clark	Hansen	Kahn	Mahoney	Paymar	Tillberry
Davnie	Hausman	Knuth	Mariani	Persell	Wagenius
Dittrich	Hayden	Koenen	Moran	Peterson, S.	
Eken	Hilstrom	Lenczewski	Mullery	Scalze	

Those who voted in the negative were:

Abeler	Beard	Dean	Franson	Hancock	Kiel
Anderson, B.	Benson, M.	Dettmer	Garofalo	Holberg	Kiffmeyer
Anderson, D.	Bills	Dill	Gauthier	Hoppe	Kriesel
Anderson, P.	Buesgens	Doepke	Gottwalt	Hosch	Lanning
Anderson, S.	Cornish	Downey	Gruenhagen	Howes	Leidiger
Anzelc	Crawford	Drazkowski	Gunther	Kath	LeMieur
Banaian	Daudt	Erickson	Hackbarth	Kelly	Lohmer
Barrett	Davids	Fabian	Hamilton	Kieffer	Loon

Mack	McNamara	O'Driscoll	Rukavina	Smith	Wardlow
Marquart	Melin	Pelowski	Runbeck	Stensrud	Westrom
Mazorol	Morrow	Peppin	Sanders	Swedzinski	Winkler
McDonald	Murray	Petersen, B.	Schomacker	Torkelson	Woodard
McElfatrick	Myhra	Poppe	Scott	Urdahl	Spk. Zellers
McFarlane	Nornes	Quam	Shimanski	Vogel	

The motion did not prevail and the first portion of the Persell amendment was not adopted.

The second portion of the Persell amendment to H. F. No. 1010, the second engrossment, as amended, reads as follows:

Page 43, delete section 21

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 second portion of the Persell amendment and the roll was called. There were 57 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Abeler	Eken	Hilty	Lenczewski	Mullery	Simon
Anzelc	Falk	Hornstein	Liebling	Murphy, E.	Slawik
Benson, J.	Fritz	Hortman	Lillie	Murphy, M.	Slocum
Brynaert	Gauthier	Hosch	Loeffler	Nelson	Thissen
Carlson	Greene	Howes	Mahoney	Norton	Tillberry
Champion	Greiling	Johnson	Mariani	Paymar	Wagenius
Clark	Hansen	Kahn	Marquart	Pelowski	Winkler
Davnie	Hausman	Kath	Melin	Persell	
Dill	Hayden	Knuth	Moran	Poppe	
Dittrich	Hilstrom	Koenen	Morrow	Scalze	

Those who voted in the negative were:

Anderson, B.	Daudt	Gruenhagen	Lanning	Murray	Scott
Anderson, D.	Davids	Gunther	Leidiger	Myhra	Shimanski
Anderson, P.	Dean	Hackbarth	LeMieur	Nornes	Smith
Anderson, S.	Dettmer	Hamilton	Lesch	O'Driscoll	Stensrud
Banaian	Doepke	Hancock	Lohmer	Peppin	Swedzinski
Barrett	Downey	Holberg	Loon	Petersen, B.	Torkelson
Beard	Drazkowski	Hoppe	Mack	Peterson, S.	Urdahl
Benson, M.	Erickson	Kelly	Mazorol	Quam	Vogel
Bills	Fabian	Kieffer	McDonald	Rukavina	Wardlow
Buesgens	Franson	Kiel	McElfatrick	Runbeck	Westrom
Cornish	Garofalo	Kiffmeyer	McFarlane	Sanders	Woodard
Crawford	Gottwalt	Kriesel	McNamara	Schomacker	Spk. Zellers

The motion did not prevail and the second portion of the Persell amendment was not adopted.

Knuth moved to amend H. F. No. 1010, the second engrossment, as amended, as follows:

Page 40, delete section 18

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 Knuth amendment and the roll was called. There were 113 yeas and 16 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Hausman	Lanning	Morrow	Scalze
Anderson, B.	Dettmer	Hayden	LeMieur	Mullery	Schomacker
Anderson, D.	Dill	Hilstrom	Lenczewski	Murphy, E.	Scott
Anderson, P.	Dittrich	Hilty	Lesch	Murphy, M.	Shimanski
Anderson, S.	Doepke	Holberg	Liebling	Murray	Simon
Anzelc	Eken	Hoppe	Lillie	Myhra	Slawik
Banaian	Fabian	Hornstein	Loeffler	Nelson	Slocum
Barrett	Falk	Hortman	Loon	Nornes	Smith
Beard	Franson	Hosch	Mack	Norton	Stensrud
Benson, J.	Fritz	Howes	Mahoney	Paymar	Thissen
Bills	Garofalo	Johnson	Mariani	Pelowski	Tillberry
Brynaert	Gauthier	Kahn	Marquart	Persell	Torkelson
Carlson	Gottwalt	Kath	Mazorol	Petersen, B.	Urdahl
Champion	Greene	Kelly	McDonald	Peterson, S.	Vogel
Clark	Greiling	Kieffer	McElpatrick	Poppe	Wagenius
Cornish	Gunther	Kiel	McFarlane	Quam	Winkler
Daudt	Hamilton	Knuth	McNamara	Rukavina	Woodard
Davids	Hancock	Koenen	Melin	Runbeck	Spk. Zellers
Davnie	Hansen	Kriesel	Moran	Sanders	

Those who voted in the negative were:

Benson, M.	Downey	Gruenhagen	Leidiger	Peppin	Westrom
Buesgens	Drazkowski	Hackbarth	Lohmer	Swedzinski	
Crawford	Erickson	Kiffmeyer	O'Driscoll	Wardlow	

The motion prevailed and the amendment was adopted.

H. F. No. 1010, A bill for an act relating to state government; appropriating money for environment, natural resources, commerce, and energy; creating accounts; modifying disposition of certain receipts; modifying responsibilities and authorities; creating an advisory committee; modifying Petroleum Tank Release Cleanup Act; modifying cooperative electric association petition provisions; repealing definitions and requirements; requiring rulemaking on wild rice standards; amending Minnesota Statutes 2010, sections 85.052, subdivision 4; 89.21; 97A.055, by adding a subdivision; 97A.071, subdivision 2; 97A.075; 103G.271, subdivision 6; 103G.301, subdivision 2; 103G.615, subdivision 2; 115A.1314; 115A.1320, subdivision 1; 115C.09, subdivision 3c; 115C.13;

116P.04, by adding a subdivision; 116P.05, subdivision 2; 216B.026, subdivision 1; 290.431; 290.432; 357.021, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 16E; 84; 89; 97A; 103G; repealing Minnesota Statutes 2010, sections 84.02, subdivisions 1, 2, 3, 4, 5, 6, 7, 8; 84.027, subdivision 11; 116P.09, subdivision 4; 116P.14.

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 72 yeas and 57 nays as follows:

Those who voted in the affirmative were:

Abeler	Crawford	Garofalo	Kiel	McFarlane	Scott
Anderson, B.	Daudt	Gottwalt	Kiffmeyer	McNamara	Shimanski
Anderson, D.	Davids	Gruenhagen	Kriesel	Murray	Smith
Anderson, P.	Dean	Gunther	Lanning	Myhra	Stensrud
Anderson, S.	Dettmer	Hackbarth	Leidiger	Nornes	Swedzinski
Banaian	Dill	Hamilton	LeMieur	O'Driscoll	Torkelson
Barrett	Doepke	Hancock	Lohmer	Peppin	Urdahl
Beard	Downey	Holberg	Loon	Petersen, B.	Vogel
Benson, M.	Drazkowski	Hoppe	Mack	Quam	Wardlow
Bills	Erickson	Howes	Mazorol	Runbeck	Westrom
Buesgens	Fabian	Kelly	McDonald	Sanders	Woodard
Cornish	Franson	Kieffer	McElfatrick	Schomacker	Spk. Zellers

Those who voted in the negative were:

Anzelc	Fritz	Hortman	Lillie	Murphy, M.	Simon
Benson, J.	Gauthier	Hosch	Loeffler	Nelson	Slawik
Brynaert	Greene	Johnson	Mahoney	Norton	Slocum
Carlson	Greiling	Kahn	Mariani	Paymar	Thissen
Champion	Hansen	Kath	Marquart	Pelowski	Tillberry
Clark	Hausman	Knuth	Melin	Persell	Wagenius
Davnie	Hayden	Koenen	Moran	Peterson, S.	Winkler
Dittrich	Hilstrom	Lenczewski	Morrow	Poppe	
Eken	Hilty	Lesch	Mullery	Rukavina	
Falk	Hornstein	Liebling	Murphy, E.	Scalze	

The bill was passed, as amended, and its title agreed to.

Dill was excused between the hours of 3:45 p.m. and 6:20 p.m.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 958.

CAL R. LUDEMAN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 958, A bill for an act relating to public safety; acquiring an easement for the correctional facility in Faribault; appropriating money for the courts, public defenders, public safety, corrections, certain other criminal justice agencies, boards, and commissions; amending Minnesota Statutes 2010, section 297I.06, subdivision 3.

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

FISCAL CALENDAR

Pursuant to rule 1.22, Holberg requested immediate consideration of H. F. No. 1101.

H. F. No. 1101 was reported to the House.

Banaian moved to amend H. F. No. 1101, the first engrossment, as follows:

Page 16, after line 13, insert:

"Sec. 12. **[145.4221] STATE FUNDS; PROHIBITED USE FOR HUMAN CLONING.**

Subdivision 1. **Prohibited use of state funds.** No state funds or federal funds the state receives for state programs may be used to either support human cloning or to pay for any expenses incidental to human cloning. For purposes of this section, "cloning" means generating a genetically identical copy of an organism at any stage of development by combining an enucleated egg and the nucleus of a somatic cell to make an embryo.

Subd. 2. **Scientific research.** Nothing in this section shall affect areas of scientific research not specifically addressed by this section, including research in the use of nuclear transfer or other cloning techniques to produce molecules, DNA, cells other than human embryos, tissues, organs, plants, or animals other than humans. In addition, notwithstanding section 145.422, nothing in this section shall affect the scientific field of stem cell research, unless explicitly prohibited.

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

A roll call was requested and properly seconded.

POINT OF ORDER

Kahn raised a point of order pursuant to rule 3.21 that the Banaian amendment was not in order. Speaker pro tempore Lanning ruled the point of order not well taken and the Banaian amendment in order.

Kahn appealed the decision of Speaker pro tempore Lanning.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of Speaker pro tempore Lanning stand as the judgment of the House?" and the roll was called. There were 79 yeas and 48 nays as follows:

Those who voted in the affirmative were:

Abeler	Dauids	Gunther	Kriesel	Murphy, M.	Stensrud
Anderson, B.	Dean	Hackbarth	Lanning	Murray	Swedzinski
Anderson, D.	Dettmer	Hamilton	Leidiger	Myhra	Torkelson
Anderson, P.	Doepke	Hancock	LeMieur	Nornes	Urdahl
Anderson, S.	Downey	Holberg	Lenczewski	O'Driscoll	Vogel
Banaian	Drazkowski	Hoppe	Lohmer	Pelowski	Wardlow
Barrett	Eken	Hosch	Loon	Peppin	Westrom
Beard	Erickson	Howes	Mack	Quam	Woodard
Benson, M.	Fabian	Kath	Marquart	Runbeck	Spk. Zellers
Bills	Franson	Kelly	Mazorol	Sanders	
Buesgens	Fritz	Kieffer	McDonald	Schomacker	
Cornish	Garofalo	Kiel	McElpatrick	Scott	
Crawford	Gottwalt	Kiffmeyer	McFarlane	Shimanski	
Daudt	Gruenhagen	Koenen	McNamara	Smith	

Those who voted in the negative were:

Anzelc	Falk	Hilty	Lillie	Murphy, E.	Scalze
Benson, J.	Gauthier	Hornstein	Loeffler	Nelson	Simon
Brynaert	Greene	Hortman	Mahoney	Norton	Slawik
Carlson	Greiling	Johnson	Mariani	Paymar	Slocum
Champion	Hansen	Kahn	Melin	Persell	Thissen
Clark	Hausman	Knuth	Moran	Peterson, S.	Tillberry
Davnie	Hayden	Lesch	Morrow	Poppe	Wagenius
Dittrich	Hilstrom	Liebling	Mullery	Rukavina	Winkler

So it was the judgment of the House that the decision of Speaker pro tempore Lanning should stand.

Thissen offered an amendment to the Banaian amendment to H. F. No. 1101, the first engrossment.

POINT OF ORDER

Peppin raised a point of order pursuant to section 402, paragraph 5, of "Mason's Manual of Legislative Procedure," that the Thissen amendment to the Banaian amendment was not in order. Speaker pro tempore Lanning ruled the point of order well taken and the Thissen amendment to the Banaian amendment out of order.

Thissen appealed the decision of Speaker pro tempore Lanning.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of Speaker pro tempore Lanning stand as the judgment of the House?" and the roll was called. There were 80 yeas and 49 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Gunther	Lanning	Murphy, M.	Smith
Anderson, B.	Dean	Hackbarth	Leidiger	Murray	Stensrud
Anderson, D.	Dettmer	Hamilton	LeMieur	Myhra	Swedzinski
Anderson, P.	Doepke	Hancock	Lenczewski	Nornes	Torkelson
Anderson, S.	Downey	Holberg	Liebling	O'Driscoll	Urdahl
Banaian	Drazkowski	Hoppe	Lohmer	Pelowski	Vogel
Barrett	Eken	Hosch	Loon	Peppin	Wardlow
Beard	Erickson	Howes	Mack	Petersen, B.	Westrom
Benson, M.	Fabian	Kelly	Marquart	Quam	Woodard
Bills	Franson	Kieffer	Mazorol	Runbeck	Spk. Zellers
Buesgens	Fritz	Kiel	McDonald	Sanders	
Cornish	Garofalo	Kiffmeyer	McElfatrick	Schomacker	
Crawford	Gottwalt	Koenen	McFarlane	Scott	
Daudt	Gruenhagen	Kriesel	McNamara	Shimanski	

Those who voted in the negative were:

Anzelc	Gauthier	Hortman	Mahoney	Paymar	Thissen
Benson, J.	Greene	Huntley	Mariani	Persell	Tillberry
Brynaert	Greiling	Johnson	Melin	Peterson, S.	Wagenius
Carlson	Hansen	Kahn	Moran	Poppe	Winkler
Champion	Hausman	Kath	Morrow	Rukavina	
Clark	Hayden	Knuth	Mullery	Scalze	
Davnie	Hilstrom	Lesch	Murphy, E.	Simon	
Dittrich	Hilty	Lillie	Nelson	Slawik	
Falk	Hornstein	Loeffler	Norton	Slocum	

So it was the judgment of the House that the decision of Speaker pro tempore Lanning should stand.

FISCAL CALENDAR ANNOUNCEMENT

Pursuant to rule 1.22, Holberg announced her intention to place S. F. No. 1016 on the Fiscal Calendar for Wednesday, March 30, 2011.

The Speaker resumed the Chair.

FISCAL CALENDAR, Continued

Norton moved to amend the Banaian amendment to H. F. No. 1101, the first engrossment, as follows:

Page 1, line 3, after "HUMAN" insert "REPRODUCTIVE"

Page 1, line 6, after "human" insert "reproductive"

Page 1, line 7, after "human" insert "reproductive" and delete "cloning" and insert "human reproductive cloning"

Page 1, delete lines 8 and 9 and insert "the creation of a human fetus that is substantially genetically identical to a previously born human being"

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 50 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Anzelc	Gauthier	Hortman	Loeffler	Norton	Slocum
Benson, J.	Greene	Huntley	Mahoney	Paymar	Thissen
Brynaert	Greiling	Johnson	Mariani	Persell	Tillberry
Carlson	Hansen	Kahn	Melin	Peterson, S.	Wagenius
Champion	Hausman	Kieffer	Moran	Poppe	Winkler
Clark	Hayden	Knuth	Morrow	Rukavina	
Davnie	Hilstrom	Lesch	Mullery	Scalze	
Dittrich	Hilty	Liebling	Murphy, E.	Simon	
Falk	Hornstein	Lillie	Nelson	Slawik	

Those who voted in the negative were:

Abeler	Dauids	Gunther	Lanning	Murray	Stensrud
Anderson, B.	Dean	Hackbarth	Leidiger	Myhra	Swedzinski
Anderson, D.	Dettmer	Hamilton	LeMieur	Nornes	Torkelson
Anderson, P.	Doepke	Hancock	Lenczewski	O'Driscoll	Urdahl
Anderson, S.	Downey	Holberg	Lohmer	Pelowski	Vogel
Banaian	Drazkowski	Hoppe	Loon	Peppin	Wardlow
Barrett	Eken	Hosch	Mack	Petersen, B.	Westrom
Beard	Erickson	Howes	Marquart	Quam	Woodard
Benson, M.	Fabian	Kath	Mazorol	Runbeck	Spk. Zellers
Bills	Franson	Kelly	McDonald	Sanders	
Buesgens	Fritz	Kiel	McElfatrick	Schomacker	
Cornish	Garofalo	Kiffmeyer	McFarlane	Scott	
Crawford	Gottwalt	Koenen	McNamara	Shimanski	
Daudt	Gruenhagen	Kriesel	Murphy, M.	Smith	

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

The question recurred on the Banaian amendment and the roll was called. There were 81 yeas and 48 nays as follows:

Those who voted in the affirmative were:

Abeler	Dauids	Gruenhagen	Koenen	McNamara	Shimanski
Anderson, B.	Dean	Gunther	Kriesel	Murphy, M.	Smith
Anderson, D.	Dettmer	Hackbarth	Lanning	Murray	Stensrud
Anderson, P.	Dittrich	Hamilton	Leidiger	Myhra	Swedzinski
Anderson, S.	Doepke	Hancock	LeMieur	Nornes	Torkelson
Banaian	Downey	Holberg	Lenczewski	O'Driscoll	Urdahl
Barrett	Drazkowski	Hoppe	Lohmer	Pelowski	Vogel
Beard	Eken	Hosch	Loon	Peppin	Wardlow
Benson, M.	Erickson	Howes	Mack	Petersen, B.	Westrom
Bills	Fabian	Kath	Marquart	Quam	Woodard
Buesgens	Franson	Kelly	Mazorol	Runbeck	Spk. Zellers
Cornish	Fritz	Kieffer	McDonald	Sanders	
Crawford	Garofalo	Kiel	McElpatrick	Schomacker	
Daudt	Gottwalt	Kiffmeyer	McFarlane	Scott	

Those who voted in the negative were:

Anzelc	Gauthier	Hornstein	Lillie	Murphy, E.	Scalze
Benson, J.	Greene	Hortman	Loeffler	Nelson	Simon
Brynaert	Greiling	Huntley	Mahoney	Norton	Slawik
Carlson	Hansen	Johnson	Mariani	Paymar	Slocum
Champion	Hausman	Kahn	Melin	Persell	Thissen
Clark	Hayden	Knuth	Moran	Peterson, S.	Tillberry
Davnie	Hilstrom	Lesch	Morrow	Poppe	Wagenius
Falk	Hilty	Liebling	Mullery	Rukavina	Winkler

The motion prevailed and the amendment was adopted.

Hosch was excused between the hours of 5:40 p.m. and 8:30 p.m.

Pelowski moved to amend H. F. No. 1101, the first engrossment, as amended, as follows:

Page 12, after line 25, insert:

"Section 1. Minnesota Statutes 2010, section 15A.081, subdivision 7c, is amended to read:

Subd. 7c. **Minnesota State Colleges and Universities chancellor.** The Board of Trustees of the Minnesota State Colleges and Universities shall establish a salary range for the position of chancellor of the Minnesota State Colleges and Universities. The board shall submit the proposed salary range to the Legislative Coordinating Commission for approval, modification, or rejection in the manner provided in section 3.855. The board shall establish ~~the a salary for the chancellor within the approved salary range~~ that does not exceed the governor's salary.

In deciding whether to approve a salary increase, the board shall consider the performance of the chancellor in areas including educational leadership, student success, system management, human resources, and affirmative action.

EFFECTIVE DATE. This section is effective the day following final enactment for contracts entered into on or after that date."

Page 13, after line 20, insert:

"Sec. 3. Minnesota Statutes 2010, section 136F.40, subdivision 2, is amended to read:

Subd. 2. **Contracts.** (a) The board may enter into a contract with the chancellor, a vice-chancellor, or a president, containing terms and conditions of employment. The terms of the contract must be authorized under a plan approved under section 43A.18, subdivision 3a. The salary established for a contract under this section must not exceed the governor's salary.

(b) Notwithstanding section 43A.17, subdivision 11, or other law to the contrary, a contract under this section may provide a liquidated salary amount or other compensation if a contract is terminated by the board prior to its expiration.

(c) Notwithstanding section 356.24 or other law to the contrary, a contract under this section may contain a deferred compensation plan made in conformance with section 457(f) of the Internal Revenue Code.

(d) Notwithstanding any provision of the plan approved under section 43A.18, subdivision 3a, a contract under this section must not authorize or otherwise provide for a bonus payment.

(e) To promote transparency and accountability, the board must provide timely, complete, and easily accessible information on its website on the compensation of persons with contracts under this section.

EFFECTIVE DATE. This section is effective the day following final enactment for contracts entered into on or after that date."

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 Pelowski amendment and the roll was called. There were 89 yeas and 38 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dettmer	Hancock	Lenczewski	Myhra	Slawik
Anderson, P.	Dittrich	Hayden	Liebling	Nelson	Slocum
Anderson, S.	Drazkowski	Hilstrom	Lillie	O'Driscoll	Smith
Anzelc	Erickson	Holberg	Lohmer	Pelowski	Stensrud
Barrett	Fabian	Hoppe	Loon	Peppin	Swedzinski
Benson, J.	Falk	Hornstein	Mack	Persell	Thissen
Bills	Franson	Hortman	Marquart	Peterson, S.	Tillberry
Buesgens	Fritz	Howes	McDonald	Poppe	Torkelson
Clark	Garofalo	Kath	McElpatrick	Quam	Urdahl
Cornish	Gauthier	Kieffer	McFarlane	Runbeck	Vogel
Crawford	Gottwalt	Kiel	McNamara	Sanders	Wardlow
Daudt	Gruenhagen	Kiffmeyer	Moran	Scalze	Westrom
Davids	Gunther	Kriesel	Morrow	Schomacker	Woodard
Davnie	Hackbarth	Lanning	Murphy, E.	Scott	Spk. Zellers
Dean	Hamilton	Leidiger	Murray	Shimanski	

Those who voted in the negative were:

Anderson, D.	Doepke	Hilty	LeMieur	Mullery	Simon
Banaian	Downey	Huntley	Lesch	Murphy, M.	Wagenius
Beard	Eken	Johnson	Loeffler	Nornes	Winkler
Benson, M.	Greene	Kahn	Mahoney	Norton	
Brynaert	Greiling	Kelly	Mariani	Paymar	
Carlson	Hansen	Knuth	Mazorol	Petersen, B.	
Champion	Hausman	Koenen	Melin	Rukavina	

The motion prevailed and the amendment was adopted.

Pelowski moved to amend H. F. No. 1101, the first engrossment, as amended, as follows:

Page 17, after line 8, insert:

"Sec. 14. **REPORT ON TRANSFORMING HIGHER EDUCATION.**

The Board of Trustees of the Minnesota State Colleges and Universities shall do a comprehensive evaluation of the structure of the Minnesota State Colleges and Universities and report to the legislature with recommendations for improvements to increase the efficiency and effectiveness of delivering postsecondary education through public two-year colleges and state universities. The study must evaluate the organization of the Minnesota State Colleges and Universities system, and must consider and evaluate the following organizational alternatives:

- (1) the alignment of the two-year and four-year institutions into separate administrative systems;
- (2) establishment of regional education districts;
- (3) formation of multi-campus institutions;
- (4) district or subdistrict accreditation of institutions;
- (5) regional delivery of shared services and programs; and
- (6) elimination of duplicate services and programs.

The study must identify potential structural and operational efficiencies and must recommend methods to refocus administration at the campus level and reduce or eliminate duplicative administration through central services. The costs and benefits of each alternative in the study must be evaluated and reported with the study findings and recommendations by January 30, 2012, to the committees of the legislature with responsibility for higher education finance.

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.

Drazkowski moved to amend H. F. No. 1101, the first engrossment, as amended, as follows:

Page 8, line 6, delete "\$466,700,000" in both places and insert "\$466,450,000" in both places

Page 9, after line 19, insert:

"The Board of Regents is requested to reduce the salary of the president by \$250,000 for fiscal year 2012 and \$250,000 for fiscal year 2013 to reflect the reduction in the appropriations for Operations and Maintenance in these fiscal years."

Correct the totals accordingly

A roll call was requested and properly seconded.

The question was taken on the Drazkowski amendment and the roll was called. There were 60 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Daudt	Gottwalt	Kriesel	Morrow	Scalze
Anzelc	Davnie	Gruenhagen	Leidiger	Murray	Scott
Barrett	Dettmer	Hancock	LeMieur	Nelson	Shimanski
Benson, J.	Dittrich	Hayden	Lenczewski	Pelowski	Slocum
Benson, M.	Drazkowski	Hortman	Liebling	Peppin	Stensrud
Bills	Erickson	Kath	Lohmer	Persell	Swedzinski
Buesgens	Fabian	Kelly	Marquart	Peterson, S.	Thissen
Clark	Falk	Kieffer	McDonald	Poppe	Tillberry
Cornish	Franson	Kiel	Melin	Quam	Wardlow
Crawford	Fritz	Kiffmeyer	Moran	Sanders	Woodard

Those who voted in the negative were:

Abeler	Downey	Hilty	Lillie	Murphy, M.	Smith
Anderson, D.	Eken	Holberg	Loeffler	Myhra	Torkelson
Anderson, P.	Garofalo	Hoppe	Loon	Nornes	Urdahl
Anderson, S.	Gauthier	Hornstein	Mack	Norton	Vogel
Banaian	Greene	Howes	Mahoney	O'Driscoll	Wagenius
Beard	Greiling	Huntley	Mariani	Paymar	Westrom
Brynaert	Gunther	Johnson	Mazorol	Petersen, B.	Winkler
Carlson	Hackbarth	Kahn	McElpatrick	Rukavina	Spk. Zellers
Champion	Hamilton	Knuth	McFarlane	Runbeck	
Dauids	Hansen	Koenen	McNamara	Schomacker	
Dean	Hausman	Lanning	Mullery	Simon	
Doepke	Hilstrom	Lesch	Murphy, E.	Slawik	

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

Gunther was excused between the hours of 6:00 p.m. and 6:45 p.m.

H. F. No. 1101, as amended, was read for the third time.

CALL OF THE HOUSE

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

Abeler	Davnie	Hancock	Lanning	Morrow	Scalze
Anderson, B.	Dean	Hansen	Leidiger	Mullery	Schomacker
Anderson, D.	Dettmer	Hausman	LeMieur	Murphy, E.	Scott
Anderson, P.	Dittrich	Hayden	Lenczewski	Murphy, M.	Shimanski
Anderson, S.	Doepke	Hilstrom	Lesch	Murray	Simon
Anzelc	Downey	Hilty	Liebling	Myhra	Slawik
Banaian	Drazkowski	Holberg	Lillie	Nelson	Slocum
Barrett	Eken	Hoppe	Loeffler	Nornes	Smith
Beard	Erickson	Hornstein	Lohmer	Norton	Stensrud
Benson, J.	Fabian	Howes	Loon	O'Driscoll	Swedzinski
Benson, M.	Falk	Huntley	Mack	Paymar	Thissen
Bills	Franson	Johnson	Mahoney	Pelowski	Tillberry
Brynaert	Fritz	Kahn	Mariani	Peppin	Urdahl
Buesgens	Garofalo	Kath	Marquart	Persell	Vogel
Carlson	Gauthier	Kelly	Mazorol	Petersen, B.	Wagenius
Champion	Gottwalt	Kieffer	McDonald	Peterson, S.	Wardlow
Clark	Greene	Kiel	McElfrick	Poppe	Westrom
Cornish	Greiling	Kiffmeyer	McFarlane	Quam	Winkler
Crawford	Gruenhagen	Knuth	McNamara	Rukavina	Woodard
Daudt	Hackbarth	Koenen	Melin	Runbeck	Spk. Zellers
Davids	Hamilton	Kriesel	Moran	Sanders	

Dean 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.

H. F. No. 1101, A bill for an act relating to higher education; amending postsecondary education provisions; requiring reports; changing Minnesota college savings plan matching grants; making technical changes; modifying definitions; setting requirements for credit transfer; providing stable undergraduate tuition rates; modifying achieve scholarship program; modifying contract and salary provisions; prohibiting use of certain public funds to support human cloning; requiring a study of graduate education in for-profit sector; repealing certain provisions related to equipment and apparel; appropriating money; amending Minnesota Statutes 2010, sections 15A.081, subdivision 7c; 135A.51, subdivision 2; 136A.121, subdivision 6; 136F.40, subdivision 2; 136G.01; 136G.03, subdivisions 1, 18, 27; 136G.05, subdivisions 1, 6, 8; proposing coding for new law in Minnesota Statutes, chapters 136F; 137; 145; repealing Minnesota Statutes 2010, sections 135A.26; 136G.11, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10; 181.986; Laws 2009, chapter 95, article 2, section 39.

The bill, as amended, was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 69 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Abeler	Anderson, P.	Beard	Buesgens	Daudt	Dettmer
Anderson, B.	Anderson, S.	Benson, M.	Cornish	Davids	Doepke
Anderson, D.	Barrett	Bills	Crawford	Dean	Downey

Drazkowski	Hamilton	Lanning	McFarlane	Runbeck	Urdahl
Erickson	Hancock	Leidiger	McNamara	Sanders	Vogel
Fabian	Holberg	LeMieur	Murray	Schomacker	Wardlow
Franson	Hoppe	Lohmer	Myhra	Scott	Westrom
Garofalo	Howes	Loon	Nornes	Shimanski	Woodard
Gottwalt	Kelly	Mack	O'Driscoll	Smith	Spk. Zellers
Gruenhagen	Kieffer	Mazorol	Peppin	Stensrud	
Gunther	Kiffmeyer	McDonald	Petersen, B.	Swedzinski	
Hackbarth	Kriesel	McElfrick	Quam	Torkelson	

Those who voted in the negative were:

Anzelc	Eken	Hilty	Lenczewski	Morrow	Poppe
Banaian	Falk	Hornstein	Lesch	Mullery	Rukavina
Benson, J.	Fritz	Hortman	Liebling	Murphy, E.	Scalze
Brynaert	Gauthier	Huntley	Lillie	Murphy, M.	Simon
Carlson	Greene	Johnson	Loeffler	Nelson	Slawik
Champion	Greiling	Kahn	Mahoney	Norton	Slocum
Clark	Hansen	Kath	Mariani	Paymar	Thissen
Davnie	Hausman	Kiel	Marquart	Pelowski	Tillberry
Dill	Hayden	Knuth	Melin	Persell	Wagenius
Dittrich	Hilstrom	Koenen	Moran	Peterson, S.	Winkler

The bill was passed, as amended, and its title agreed to.

CALL OF THE HOUSE LIFTED

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

Dean 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.

FISCAL CALENDAR

Pursuant to rule 1.22, Holberg requested immediate consideration of H. F. No. 934.

H. F. No. 934 was reported to the House.

Tillberry, Dittrich and Peterson, S., moved to amend H. F. No. 934, the second engrossment, as follows:

Page 42, delete section 14

Page 54, delete subdivision 20

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 Tillberry et al amendment and the roll was called. There were 58 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Anzelc	Fritz	Hortman	Liebling	Murphy, E.	Scalze
Benson, J.	Gauthier	Hosch	Lillie	Murphy, M.	Simon
Brynaert	Greene	Huntley	Loeffler	Nelson	Slawik
Carlson	Greiling	Johnson	Mahoney	Norton	Slocum
Champion	Hansen	Kahn	Mariani	Paymar	Thissen
Clark	Hausman	Kath	Marquart	Pelowski	Tillberry
Davnie	Hayden	Knuth	Melin	Persell	Wagenius
Dittrich	Hilstrom	Koenen	Moran	Peterson, S.	Winkler
Eken	Hilty	Lenczewski	Morrow	Poppe	
Falk	Hornstein	Lesch	Mullery	Rukavina	

Those who voted in the negative were:

Anderson, B.	Daudt	Gottwalt	Kiffmeyer	McNamara	Shimanski
Anderson, D.	Dauids	Gruenhagen	Kriesel	Murray	Smith
Anderson, P.	Dean	Gunther	Lanning	Myhra	Stensrud
Anderson, S.	Dettmer	Hackbarth	Leidiger	Nornes	Swedzinski
Banaian	Dill	Hamilton	LeMieur	O'Driscoll	Torkelson
Barrett	Doepke	Hancock	Lohmer	Peppin	Vogel
Beard	Downey	Holberg	Loon	Petersen, B.	Wardlow
Benson, M.	Drazkowski	Hoppe	Mack	Quam	Westrom
Bills	Erickson	Howes	Mazorol	Runbeck	Woodard
Buesgens	Fabian	Kelly	McDonald	Sanders	Spk. Zellers
Cornish	Franson	Kieffer	McElfratrick	Schomacker	
Crawford	Garofalo	Kiel	McFarlane	Scott	

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

CALL OF THE HOUSE

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

Abeler	Anzelc	Benson, M.	Champion	Davids	Dittrich
Anderson, B.	Banaian	Bills	Clark	Davnie	Doepke
Anderson, D.	Barrett	Brynaert	Cornish	Dean	Downey
Anderson, P.	Beard	Buesgens	Crawford	Dettmer	Drazkowski
Anderson, S.	Benson, J.	Carlson	Daudt	Dill	Eken

Erickson	Hayden	Knuth	Mazorol	Paymar	Smith
Fabian	Hilstrom	Koenen	McDonald	Pelowski	Stensrud
Falk	Hilty	Kriesel	McElpatrick	Peppin	Swedzinski
Franson	Holberg	Lanning	McFarlane	Persell	Thissen
Fritz	Hoppe	Leidiger	McNamara	Petersen, B.	Tillberry
Garofalo	Hornstein	LeMieur	Melin	Peterson, S.	Torkelson
Gauthier	Hortman	Lenczewski	Moran	Poppe	Urdahl
Gottwalt	Hosch	Lesch	Morrow	Quam	Vogel
Greene	Howes	Liebling	Mullery	Rukavina	Wagenius
Greiling	Huntley	Lillie	Murphy, E.	Runbeck	Wardlow
Gruenhagen	Johnson	Loeffler	Murphy, M.	Scalze	Westrom
Gunther	Kahn	Lohmer	Murray	Schomacker	Winkler
Hackbarth	Kath	Loon	Myhra	Scott	Woodard
Hamilton	Kelly	Mack	Nelson	Shimanski	Spk. Zellers
Hancock	Kieffer	Mahoney	Nornes	Simon	
Hansen	Kiel	Mariani	Norton	Slawik	
Hausman	Kiffmeyer	Marquart	O'Driscoll	Slocum	

Dean 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.

Winkler moved to amend H. F. No. 934, the second engrossment, as follows:

Page 42, lines 11 and 16, delete "located in a city of the first class"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

CALL OF THE HOUSE LIFTED

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

CALL OF THE HOUSE

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

Abeler	Bills	Dean	Franson	Hancock	Huntley
Anderson, B.	Brynaert	Dettmer	Fritz	Hansen	Johnson
Anderson, D.	Buesgens	Dill	Garofalo	Hausman	Kahn
Anderson, P.	Carlson	Dittrich	Gauthier	Hayden	Kath
Anderson, S.	Champion	Doepke	Gottwalt	Hilstrom	Kelly
Anzelc	Clark	Downey	Greene	Hilty	Kieffer
Banaian	Cornish	Drazkowski	Greiling	Holberg	Kiel
Barrett	Crawford	Eken	Gruenhagen	Hoppe	Kiffmeyer
Bear	Daudt	Erickson	Gunther	Hornstein	Knuth
Benson, J.	Davids	Fabian	Hackbarth	Hortman	Koenen
Benson, M.	Davnie	Falk	Hamilton	Hosch	Kriesel

Lanning	Mahoney	Mullery	Peppin	Scott	Urdahl
Leidiger	Mariani	Murphy, E.	Persell	Shimanski	Vogel
LeMieur	Marquart	Murphy, M.	Petersen, B.	Simon	Wagenius
Lenczewski	Mazorol	Murray	Peterson, S.	Slawik	Wardlow
Lesch	McDonald	Myhra	Poppe	Slocum	Westrom
Liebling	McElpatrick	Nelson	Quam	Smith	Winkler
Lillie	McFarlane	Nornes	Rukavina	Stensrud	Woodard
Loeffler	McNamara	Norton	Runbeck	Swedzinski	Spk. Zellers
Lohmer	Melin	O'Driscoll	Sanders	Thissen	
Loon	Moran	Paymar	Scalze	Tillberry	
Mack	Morrow	Pelowski	Schomacker	Torkelson	

Dean 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.

Pursuant to rule 1.50, Dean moved that the House be allowed to continue in session after 12:00 midnight.

A roll call was requested and properly seconded.

The question was taken on the Dean motion and the roll was called. There were 75 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Abeler	Daudt	Gunther	Lanning	Murray	Smith
Anderson, B.	Dauids	Hackbarth	Leidiger	Myhra	Stensrud
Anderson, D.	Dean	Hamilton	LeMieur	Nornes	Swedzinski
Anderson, P.	Dettmer	Hancock	Lenczewski	Norton	Torkelson
Anderson, S.	Doepke	Holberg	Lohmer	O'Driscoll	Urdahl
Banaian	Downey	Hoppe	Loon	Peppin	Vogel
Barrett	Draskowski	Howes	Marquart	Petersen, B.	Wardlow
Beard	Erickson	Kahn	Mazorol	Quam	Westrom
Benson, M.	Fabian	Kelly	McDonald	Runbeck	Woodard
Bills	Franson	Kieffer	McElpatrick	Sanders	Spk. Zellers
Buesgens	Garfalo	Kiel	McFarlane	Schomacker	
Cornish	Gottwalt	Kiffmeyer	McNamara	Scott	
Crawford	Gruenhagen	Kriesel	Murphy, M.	Shimanski	

Those who voted in the negative were:

Anzelc	Falk	Hornstein	Lillie	Nelson	Slocum
Benson, J.	Fritz	Hortman	Loeffler	Paymar	Thissen
Brynaert	Gauthier	Hosch	Mack	Pelowski	Tillberry
Carlson	Greene	Huntley	Mahoney	Persell	Wagenius
Champion	Greiling	Johnson	Mariani	Peterson, S.	Winkler
Clark	Hansen	Kath	Melin	Poppe	
Davnie	Hausman	Knuth	Moran	Rukavina	
Dill	Hayden	Koenen	Morrow	Scalze	
Dittrich	Hilstrom	Lesch	Mullery	Simon	
Eken	Hilty	Liebling	Murphy, E.	Slawik	

The motion prevailed.

Falk moved to amend the Winkler amendment to H. F. No. 934, the second engrossment, as follows:

Page 1, after line 1, insert:

"Page 42, line 10, after "(a)" insert "If a majority of the voters of a school's school district vote to adopt this subdivision,"

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.

Dean moved that those not voting be excused from voting. The motion prevailed.

There were 59 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Anzelc	Falk	Hornstein	Lesch	Mullery	Rukavina
Benson, J.	Fritz	Hortman	Liebling	Murphy, E.	Scalze
Brynaert	Gauthier	Hosch	Lillie	Murphy, M.	Simon
Carlson	Greene	Huntley	Loeffler	Nelson	Slawik
Champion	Greiling	Johnson	Mahoney	Norton	Slocum
Clark	Hansen	Kahn	Mariani	Paymar	Thissen
Davnie	Hausman	Kath	Marquart	Pelowski	Tillberry
Dill	Hayden	Knuth	Melin	Persell	Wagenius
Dittrich	Hilstrom	Koenen	Moran	Peterson, S.	Winkler
Eken	Hilty	Lenczewski	Morrow	Poppe	

Those who voted in the negative were:

Abeler	Crawford	Gottwalt	Kiffmeyer	McNamara	Shimanski
Anderson, B.	Daudt	Gruenhagen	Kriesel	Murray	Smith
Anderson, D.	Dauids	Gunther	Lanning	Myhra	Stensrud
Anderson, P.	Dean	Hackbarth	Leidiger	Nornes	Swedzinski
Anderson, S.	Dettmer	Hamilton	LeMieur	O'Driscoll	Torkelson
Banaian	Doepke	Hancock	Lohmer	Peppin	Urdahl
Barrett	Downey	Holberg	Loon	Petersen, B.	Vogel
Beard	Drazkowski	Hoppe	Mack	Quam	Wardlow
Benson, M.	Erickson	Howes	Mazorol	Runbeck	Westrom
Bills	Fabian	Kelly	McDonald	Sanders	Woodard
Buesgens	Franson	Kieffer	McElfatrick	Schomacker	Spk. Zellers
Cornish	Garofalo	Kiel	McFarlane	Scott	

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

The question recurred on the Winkler amendment and the roll was called. There were 55 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Anzelc	Erickson	Hosch	Loeffler	Nelson	Slawik
Benson, J.	Falk	Huntley	Loon	Norton	Slocum
Brynaert	Fritz	Johnson	Mahoney	Pelowski	Tillberry
Buesgens	Gauthier	Kahn	Mariani	Peppin	Wardlow
Champion	Greiling	Kath	Marquart	Persell	Winkler
Clark	Hansen	Knuth	Melin	Petersen, B.	
Davnie	Hausman	Lenczewski	Moran	Peterson, S.	
Dill	Hayden	Lesch	Morrow	Poppe	
Dittrich	Hilty	Liebling	Mullery	Rukavina	
Downey	Hortman	Lillie	Murphy, E.	Scalze	

Those who voted in the negative were:

Abeler	Daudt	Gunther	Koenen	Murray	Stensrud
Anderson, B.	Dauids	Hackbarth	Kriesel	Myhra	Swedzinski
Anderson, D.	Dean	Hamilton	Lanning	Nornes	Thissen
Anderson, P.	Dettmer	Hancock	Leidiger	O'Driscoll	Torkelson
Anderson, S.	Doepke	Hilstrom	LeMieur	Paymar	Urdahl
Banaian	Drazkowski	Holberg	Lohmer	Quam	Vogel
Barrett	Eken	Hoppe	Mack	Runbeck	Wagenius
Beard	Fabian	Hornstein	Mazorol	Sanders	Westrom
Benson, M.	Franson	Howes	McDonald	Schomacker	Woodard
Bills	Garofalo	Kelly	McElfratrick	Scott	Spk. Zellers
Carlson	Gottwalt	Kieffer	McFarlane	Shimanski	
Cornish	Greene	Kiel	McNamara	Simon	
Crawford	Gruenhagen	Kiffmeyer	Murphy, M.	Smith	

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

Benson, J., and Slocum were excused for the remainder of today's session.

Buesgens moved to amend H. F. No. 934, the second engrossment, as follows:

Page 9, line 3, delete "\$5,174" and insert "\$5,155"

Page 20, line 8, delete "5,695,383,000" and insert "5,679,713,000"

Page 20, line 9, delete "5,862,929,000" and insert "5,856,215,000"

Page 20, line 10, delete "\$4,016,844,000" and insert "\$4,001,174,000"

Page 20, line 12, delete "\$1,717,378,000" and insert "\$1,710,662,000"

Page 82, line 5, delete "5,000,000" and insert "3,000,000"

Page 82, line 6, delete "5,000,000" and insert "4,000,000"

A roll call was requested and properly seconded.

The question was taken on the Buesgens amendment and the roll was called. There were 16 yeas and 112 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Bills	Franson	Hackbarth	Leidiger	Shimanski
Barrett	Buesgens	Gruenhagen	Hancock	Lohmer	
Benson, M.	Drazkowski	Gunther	Kiffmeyer	Quam	

Those who voted in the negative were:

Abeler	Dittrich	Holberg	Lesch	Murphy, M.	Scott
Anderson, D.	Doepke	Hoppe	Liebling	Murray	Simon
Anderson, P.	Downey	Hornstein	Lillie	Myhra	Slawik
Anderson, S.	Eken	Hortman	Loeffler	Nelson	Smith
Anzelc	Erickson	Hosch	Loon	Nornes	Stensrud
Banaian	Fabian	Howes	Mack	Norton	Swedzinski
Beard	Falk	Huntley	Mahoney	O'Driscoll	Thissen
Brynaert	Fritz	Johnson	Mariani	Paymar	Tillberry
Carlson	Garofalo	Kahn	Marquart	Pelowski	Torkelson
Champion	Gauthier	Kath	Mazorol	Peppin	Urdahl
Clark	Gottwalt	Kelly	McDonald	Persell	Vogel
Cornish	Greene	Kieffer	McElfrick	Petersen, B.	Wagenius
Crawford	Greiling	Kiel	McFarlane	Peterson, S.	Wardlow
Daudt	Hamilton	Knuth	McNamara	Poppe	Westrom
Davids	Hansen	Koenen	Melin	Rukavina	Winkler
Davnie	Hausman	Kriesel	Moran	Runbeck	Woodard
Dean	Hayden	Lanning	Morrow	Sanders	Spk. Zellers
Dettmer	Hilstrom	LeMieur	Mullery	Scalze	
Dill	Hilty	Lenczewski	Murphy, E.	Schomacker	

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

Murphy, E., and Mariani moved to amend H. F. No. 934, the second engrossment.

Woodard requested a division of the Murphy, E., and Mariani amendment to H. F. No. 934, the second engrossment.

Woodard further requested that the second portion of the divided Murphy, E., and Mariani amendment be voted on first.

The second portion of the Murphy, E., and Mariani amendment to H. F. No. 934, the second engrossment, reads as follows:

Page 49, after line 1, insert:

"Sec. 24. **ENROLLMENT OPTIONS FOR STUDENTS OF LOW-PERFORMING SCHOOLS; REPORT.**

The commissioner of education must submit to the education policy and finance committees of the legislature by February 1, 2014, a report on the enrollment options for students at low-performing public schools under section 14. The report, at a minimum, must:

(1) examine the demographics of the students participating in the program; and

(2) detail the academic performance of students participating in the program, including their performance on reading and mathematics tests under Minnesota Statutes 2010, section 120B.30, and compare the academic performance of students of similar demographics in public schools with these students."

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 second portion of the Murphy, E., and Mariani amendment and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dettmer	Hansen	Lanning	Mullery	Scott
Anderson, B.	Dill	Hausman	Leidiger	Murphy, E.	Shimanski
Anderson, D.	Dittrich	Hayden	LeMieur	Murphy, M.	Simon
Anderson, P.	Doepke	Hilstrom	Lenczewski	Murray	Slawik
Anderson, S.	Downey	Hilty	Lesch	Myhra	Smith
Anzalc	Drazkowski	Holberg	Liebling	Nelson	Stensrud
Banaian	Eken	Hoppe	Lillie	Nornes	Swedzinski
Barrett	Erickson	Hornstein	Loeffler	Norton	Thissen
Beard	Fabian	Hortman	Lohmer	O'Driscoll	Tillberry
Benson, M.	Falk	Hosch	Loon	Paymar	Torkelson
Bills	Franson	Howes	Mack	Pelowski	Urdahl
Brynaert	Fritz	Huntley	Mahoney	Peppin	Vogel
Buesgens	Garofalo	Johnson	Mariani	Persell	Wagenius
Carlson	Gauthier	Kahn	Marquart	Petersen, B.	Wardlow
Champion	Gottwalt	Kath	Mazorol	Peterson, S.	Westrom
Clark	Greene	Kelly	McDonald	Poppe	Winkler
Cornish	Greiling	Kieffer	McElfatrick	Quam	Woodard
Crawford	Gruenhagen	Kiel	McFarlane	Rukavina	Spk. Zellers
Daudt	Gunther	Kiffmeyer	McNamara	Runbeck	
Davids	Hackbarth	Knuth	Melin	Sanders	
Davnie	Hamilton	Koenen	Moran	Scalze	
Dean	Hancock	Kriesel	Morrow	Schomacker	

The motion prevailed and the second portion of the Murphy, E., and Mariani amendment was adopted.

CALL OF THE HOUSE LIFTED

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

The first portion of the Murphy, E., and Mariani amendment to H. F. No. 934, the second engrossment, as amended, reads as follows:

Page 43, line 35, before the period, insert "EXPIRATION"

Page 43, line 36, delete "later" and insert "expires at the end of the 2014-2015 school year"

A roll call was requested and properly seconded.

The question was taken on the first portion of the Murphy, E., and Mariani amendment and the roll was called. There were 57 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Anzelc	Fritz	Hortman	Liebling	Murphy, E.	Scalze
Brynaert	Gauthier	Hosch	Lillie	Murphy, M.	Simon
Carlson	Greene	Huntley	Loeffler	Nelson	Slawik
Champion	Greiling	Johnson	Mahoney	Norton	Thissen
Clark	Hansen	Kahn	Mariani	Paymar	Tillberry
Dill	Hausman	Kath	Marquart	Pelowski	Wagenius
Dittrich	Hayden	Knuth	Melin	Persell	Winkler
Eken	Hilstrom	Koenen	Moran	Peterson, S.	
Falk	Hilty	Lenczewski	Morrow	Poppe	
Franson	Hornstein	Lesch	Mullery	Rukavina	

Those who voted in the negative were:

Anderson, B.	Daudt	Gunther	Lanning	Myhra	Stensrud
Anderson, D.	Davids	Hackbarth	Leidiger	Nornes	Swedzinski
Anderson, P.	Dean	Hamilton	LeMieur	O'Driscoll	Torkelson
Anderson, S.	Dettmer	Hancock	Lohmer	Peppin	Urdahl
Banaian	Doepke	Holberg	Loon	Petersen, B.	Vogel
Barrett	Downey	Hoppe	Mack	Quam	Wardlow
Beard	Drazkowski	Howes	Mazorol	Runbeck	Westrom
Benson, M.	Erickson	Kelly	McDonald	Sanders	Woodard
Bills	Fabian	Kieffer	McElfatrick	Schomacker	Spk. Zellers
Buesgens	Garofalo	Kiel	McFarlane	Scott	
Cornish	Gottwalt	Kiffmeyer	McNamara	Shimanski	
Crawford	Gruenhagen	Kriesel	Murray	Smith	

The motion did not prevail and the first portion of the Murphy, E., and Mariani amendment was not adopted.

Huntley was excused for the remainder of today's session.

Buesgens moved to amend H. F. No. 934, the second engrossment, as amended, as follows:

Pages 74 to 80, delete sections 1 to 6

Page 81, delete subdivision 8

Page 82, line 4, delete "under Minnesota Statutes, section 119C.04"

Page 82, line 7, delete lines 7 to 12 and insert:

"(a) All children whose parents or legal guardians meet the eligibility requirements of paragraph (b) established by the commissioner are eligible to receive early childhood education scholarships under this section.

(b) A parent or legal guardian is eligible for an early childhood education scholarship if the parent or legal guardian:

(1) has a child three or four years of age on September 1, beginning in calendar year 2011; and

(2)(i) has income equal to or less than 47 percent of the state median income in the current calendar year; or

(ii) can document their child's identification through another public funding eligibility process, including the Free and Reduced Price Lunch Program, National School Lunch Act, United States Code, title 42, section 1751, part 210; Head Start under federal Improving Head Start for School Readiness Act of 2007; Minnesota family investment program under chapter 256J; and child care assistance programs under chapter 119B."

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 amendment and the roll was called. There were 66 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Daudt	Gottwalt	Kieffer	McElfatrick	Scott
Anderson, D.	Davids	Greiling	Kiel	McNamara	Shimanski
Anderson, P.	Dean	Gruenhagen	Kiffmeyer	Murray	Stensrud
Banaian	Dettmer	Gunther	Kriesel	Myhra	Swedzinski
Barrett	Downey	Hackbarth	Lanning	Nornes	Torkelson
Beard	Drazkowski	Hamilton	Leidiger	O'Driscoll	Urdahl
Benson, M.	Erickson	Hancock	LeMieur	Peppin	Vogel
Bills	Fabian	Holberg	Lohmer	Quam	Wardlow
Buesgens	Franson	Hoppe	Mack	Runbeck	Westrom
Cornish	Garofalo	Howes	Mazorol	Sanders	Woodard
Crawford	Gauthier	Kelly	McDonald	Schomacker	Spk. Zellers

Those who voted in the negative were:

Abeler	Doepke	Hortman	Lillie	Mullery	Poppe
Anderson, S.	Eken	Hosch	Loeffler	Murphy, E.	Rukavina
Anzelc	Falk	Johnson	Loon	Murphy, M.	Scalze
Brynaert	Fritz	Kahn	Mahoney	Nelson	Simon
Carlson	Greene	Kath	Mariani	Norton	Slawik
Champion	Hansen	Knuth	Marquart	Paymar	Smith
Clark	Hayden	Koenen	McFarlane	Pelowski	Thissen
Davnie	Hilstrom	Lenczewski	Melin	Persell	Tillberry
Dill	Hilty	Lesch	Moran	Petersen, B.	Wagenius
Dittrich	Hornstein	Liebling	Morrow	Peterson, S.	Winkler

The motion prevailed and the amendment was adopted.

Moran moved to amend H. F. No. 934, the second engrossment, as amended, as follows:

Page 54, line 26, delete the semicolon and insert a comma

Page 54, delete line 27

Page 54, line 28, delete everything before "are"

A roll call was requested and properly seconded.

The question was taken on the Moran amendment and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Hamilton	Kriesel	Moran	Sanders
Anderson, B.	Dettmer	Hancock	Lanning	Morrow	Scalze
Anderson, D.	Dill	Hansen	Leidiger	Mullery	Schomacker
Anderson, P.	Dittrich	Hausman	LeMieur	Murphy, E.	Scott
Anderson, S.	Doepke	Hayden	Lenczewski	Murphy, M.	Shimanski
Anzelc	Downey	Hilstrom	Lesch	Murray	Simon
Banaian	Drazkowski	Hilty	Liebling	Myhra	Slawik
Barrett	Eken	Hoppe	Lillie	Nelson	Smith
Beard	Erickson	Hornstein	Loeffler	Nornes	Stensrud
Benson, M.	Fabian	Hortman	Lohmer	Norton	Swedzinski
Bills	Falk	Hosch	Loon	O'Driscoll	Thissen
Brynaert	Franson	Howes	Mack	Paymar	Tillberry
Buesgens	Fritz	Johnson	Mahoney	Pelowski	Torkelson
Carlson	Garofalo	Kahn	Mariani	Peppin	Urdahl
Champion	Gauthier	Kath	Marquart	Persell	Vogel
Clark	Gottwalt	Kelly	Mazorol	Petersen, B.	Wagenius
Cornish	Greene	Kieffer	McDonald	Peterson, S.	Wardlow
Crawford	Greiling	Kiel	McElfatrick	Poppe	Westrom
Daudt	Gruenhagen	Kiffmeyer	McFarlane	Quam	Winkler
Davids	Gunther	Knuth	McNamara	Rukavina	Woodard
Davnie	Hackbarth	Koenen	Melin	Runbeck	Spk. Zellers

The motion prevailed and the amendment was adopted.

Davnie and Slocum moved to amend H. F. No. 934, the second engrossment, as amended, as follows:

Page 43, after line 36, insert:

"Sec. 15. Minnesota Statutes 2010, section 124D.10, subdivision 3, is amended to read:

Subd. 3. **Authorizer.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

"Application" to receive approval as an authorizer means the proposal an eligible authorizer submits to the commissioner under paragraph (c) before that authorizer is able to submit any affidavit to charter to a school.

"Application" under subdivision 4 means the charter school business plan a school developer submits to an authorizer for approval to establish a charter school that documents the school developer's mission statement, school purposes, program design, financial plan, governance and management structure, and background and experience, plus any other information the authorizer requests. The application also shall include a "statement of assurances" of legal compliance prescribed by the commissioner.

"Affidavit" means a written statement the authorizer submits to the commissioner for approval to establish a charter school under subdivision 4 attesting to its review and approval process before chartering a school.

"Affidavit" means the form an authorizer submits to the commissioner that is a precondition to a charter school organizing an affiliated nonprofit building corporation under subdivision 17a.

(b) The following organizations may authorize one or more charter schools:

(1) a school board; intermediate school district school board; education district organized under sections 123A.15 to 123A.19;

(2) a charitable organization under section 501(c)(3) of the Internal Revenue Code of 1986, excluding a nonpublic sectarian or religious institution, any person other than a natural person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the nonpublic sectarian or religious institution, and any other charitable organization under this clause that in the federal IRS Form 1023, Part IV, describes activities indicating a religious purpose, that:

(i) is a member of the Minnesota Council of Nonprofits or the Minnesota Council on Foundations;

(ii) is registered with the attorney general's office;

(iii) reports an end-of-year fund balance of at least \$2,000,000; and

(iv) is incorporated in the state of Minnesota;

(3) a Minnesota private college, notwithstanding clause (2), that grants two- or four-year degrees and is registered with the Minnesota Office of Higher Education under chapter 136A; community college, state university, or technical college governed by the Board of Trustees of the Minnesota State Colleges and Universities; or the University of Minnesota; or

(4) a nonprofit corporation subject to chapter 317A, described in section 317A.905, and exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code of 1986, may authorize one or more charter schools if the charter school has operated for at least three years under a different authorizer and if the nonprofit corporation has existed for at least 25 years.

(5) no more than three single-purpose authorizers that are charitable, nonsectarian organizations formed under section 501(c)(3) of the Internal Revenue Code of 1986 and incorporated in the state of Minnesota whose sole purpose is to charter schools. Eligible organizations interested in being approved as an authorizer under this paragraph must submit a proposal to the commissioner that includes the provisions of paragraph (c) and a five-year financial plan. Such authorizers shall consider and approve applications using the criteria provided in subdivision 4 and shall not limit the applications it solicits, considers, or approves to any single curriculum, learning program, or method.

(c) An eligible authorizer under this subdivision must apply to the commissioner for approval as an authorizer before submitting any affidavit to the commissioner to charter a school. The application for approval as a charter school authorizer must demonstrate the applicant's ability to implement the procedures and satisfy the criteria for

chartering a school under this section. The commissioner must approve or disapprove an application within 60 business days of the application deadline. If the commissioner disapproves the application, the commissioner must notify the applicant of the deficiencies and the applicant then has 20 business days to address the deficiencies to the commissioner's satisfaction. Failing to address the deficiencies to the commissioner's satisfaction makes an applicant ineligible to be an authorizer. The commissioner, in establishing criteria for approval, must consider the applicant's:

- (1) capacity and infrastructure;
- (2) application criteria and process;
- (3) contracting process;
- (4) ongoing oversight and evaluation processes; and
- (5) renewal criteria and processes.

(d) The affidavit to be submitted to and evaluated by the commissioner must include at least the following:

(1) how chartering schools is a way for the organization to carry out its mission;

(2) a description of the capacity of the organization to serve as an authorizer, including the personnel who will perform the authorizing duties, their qualifications, the amount of time they will be assigned to this responsibility, and the financial resources allocated by the organization to this responsibility;

(3) a description of the application and review process the authorizer will use to make decisions regarding the granting of charters, which will include at least the following:

- (i) how the statutory purposes defined in subdivision 1 are addressed;
- (ii) the mission, goals, program model, and student performance expectations;
- (iii) an evaluation plan for the school that includes criteria for evaluating educational, organizational, and fiscal plans;
- (iv) the school's governance plan;
- (v) the financial management plan; and
- (vi) the administration and operations plan;

(4) a description of the type of contract it will arrange with the schools it charters that meets the provisions of subdivision 6 and defines the rights and responsibilities of the charter school for governing its educational program, controlling its funds, and making school management decisions;

(5) the process to be used for providing ongoing oversight of the school consistent with the contract expectations specified in clause (4) that assures that the schools chartered are complying with both the provisions of applicable law and rules, and with the contract;

(6) the process for making decisions regarding the renewal or termination of the school's charter based on evidence that demonstrates the academic, organizational, and financial competency of the school, including its success in increasing student achievement and meeting the goals of the charter school agreement; and

(7) an assurance specifying that the organization is committed to serving as an authorizer for the full five-year term.

A disapproved applicant under this paragraph may resubmit an application during a future application period.

(e) The authorizer must participate in department-approved training.

(f) An authorizer that chartered a school before August 1, 2009, must apply by June 30, ~~2011~~ 2012, to the commissioner for approval, under paragraph (c), to continue as an authorizer under this section. For purposes of this paragraph, an authorizer that fails to submit a timely application is ineligible to charter a school.

(g) The commissioner shall review an authorizer's performance every five years in a manner and form determined by the commissioner and may review an authorizer's performance more frequently at the commissioner's own initiative or at the request of a charter school operator, charter school board member, or other interested party. The commissioner, after completing the review, shall transmit a report with findings to the authorizer. If, consistent with this section, the commissioner finds that an authorizer has not fulfilled the requirements of this section, the commissioner may subject the authorizer to corrective action, which may include terminating the contract with the charter school board of directors of a school it chartered. The commissioner must notify the authorizer in writing of any findings that may subject the authorizer to corrective action and the authorizer then has 15 business days to request an informal hearing before the commissioner takes corrective action.

(h) The commissioner may at any time take corrective action against an authorizer, including terminating an authorizer's ability to charter a school for:

(1) failing to demonstrate the criteria under paragraph (c) under which the commissioner approved the authorizer;

(2) violating a term of the chartering contract between the authorizer and the charter school board of directors; or

(3) unsatisfactory performance as an approved authorizer.

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

A roll call was requested and properly seconded.

The question was taken on the Davnie and Slocum amendment and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Anderson, S.	Beard	Buesgens	Cornish	Davnie
Anderson, B.	Anzelc	Benson, M.	Carlson	Crawford	Dean
Anderson, D.	Banaian	Bills	Champion	Daudt	Dettmer
Anderson, P.	Barrett	Brynaert	Clark	Davids	Dill

Dittrich	Hackbarth	Kieffer	Mahoney	Nornes	Shimanski
Doepke	Hamilton	Kiel	Mariani	Norton	Simon
Downey	Hancock	Kiffmeyer	Marquart	O'Driscoll	Slawik
Drazkowski	Hansen	Knuth	Mazorol	Paymar	Smith
Eken	Hausman	Koenen	McDonald	Pelowski	Stensrud
Erickson	Hayden	Kriesel	McElpatrick	Peppin	Swedzinski
Fabian	Hilstrom	Lanning	McFarlane	Persell	Thissen
Falk	Hilty	Leidiger	McNamara	Petersen, B.	Tillberry
Franson	Holberg	LeMieur	Melin	Peterson, S.	Torkelson
Fritz	Hoppe	Lenczewski	Moran	Poppe	Urdahl
Garofalo	Hornstein	Lesch	Morrow	Quam	Vogel
Gauthier	Hortman	Liebling	Mullery	Rukavina	Wagenius
Gottwalt	Hosch	Lillie	Murphy, E.	Runbeck	Wardlow
Greene	Johnson	Loeffler	Murphy, M.	Sanders	Westrom
Greiling	Kahn	Lohmer	Murray	Scalze	Winkler
Gruenhagen	Kath	Loon	Myhra	Schomacker	Woodard
Gunther	Kelly	Mack	Nelson	Scott	Spk. Zellers

The motion prevailed and the amendment was adopted.

Davnie and Slocum moved to amend H. F. No. 934, the second engrossment, as amended, as follows:

Page 22, line 24, delete "123B.05:"

Page 33, delete section 6

Page 35, delete section 7

Page 41, after line 4, insert:

"Sec. 13. Minnesota Statutes 2010, section 123B.05, subdivision 2, is amended to read:

Subd. 2. **Contract deadline date; state aid penalty.** Notwithstanding any law to the contrary, a public employer and the exclusive representative of the teachers must both sign a collective bargaining agreement on or before ~~January 15 of an even-numbered~~ October 15 of an odd-numbered calendar year. If a collective bargaining agreement is not signed by that date, state aid paid to the public employer for that fiscal year must be reduced. However, state aid must not be reduced if:

(1) a public employer and the exclusive representative of the teachers have submitted all unresolved contract items to interest arbitration according to section 179A.16 before ~~December 31~~ October 1 of an ~~odd-numbered even-numbered~~ year and filed required final positions on all unresolved items with the commissioner of mediation services before ~~January 15~~ October 15 of an ~~even-numbered odd-numbered~~ year; and

(2) the arbitration panel has issued its decision within 60 days after the date the final positions were filed.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2012 and later.

Sec. 14. Minnesota Statutes 2010, section 123B.05, subdivision 5, is amended to read:

Subd. 5. **State aid reductions returned to general fund redistributed to other school districts.** Reductions from aid to districts and public employers other than districts must be ~~returned to the general fund~~ redistributed on a per pupil unit basis to all other school districts who have settled their contracts and are not subject to a penalty under this section.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2012 and later."

Page 45, delete sections 16 and 17

Page 46, delete sections 18 and 19

Page 54, delete lines 24 and 25

Page 54, line 26, delete "(b)"

Page 54, line 29, delete everything after "DATE."

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 Davnie and Slocum amendment and the roll was called. There were 58 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Anzelc	Falk	Hornstein	Lesch	Mullery	Scalze
Brynaert	Fritz	Hortman	Liebling	Murphy, E.	Simon
Carlson	Gauthier	Hosch	Lillie	Murphy, M.	Slawik
Champion	Greene	Howes	Loeffler	Nelson	Smith
Clark	Greiling	Johnson	Mahoney	Paymar	Thissen
Davids	Hansen	Kahn	Mariani	Pelowski	Tillberry
Davnie	Hausman	Kath	Marquart	Persell	Wagenius
Dill	Hayden	Knuth	Melin	Peterson, S.	Winkler
Dittrich	Hilstrom	Koenen	Moran	Poppe	
Eken	Hilty	Lenczewski	Morrow	Rukavina	

Those who voted in the negative were:

Anderson, B.	Crawford	Gottwalt	Kiffmeyer	McFarlane	Schomacker
Anderson, D.	Daudt	Gruenhagen	Kriesel	McNamara	Scott
Anderson, P.	Dean	Gunther	Lanning	Murray	Shimanski
Anderson, S.	Dettmer	Hackbarth	Leidiger	Myhra	Stensrud
Banaian	Doepke	Hamilton	LeMieur	Nornes	Swedzinski
Barrett	Downey	Hancock	Lohmer	O'Driscoll	Torkelson
Beard	Drazkowski	Holberg	Loon	Peppin	Vogel
Benson, M.	Erickson	Hoppe	Mack	Petersen, B.	Wardlow
Bills	Fabian	Kelly	Mazorol	Quam	Westrom
Buesgens	Franson	Kieffer	McDonald	Runbeck	Woodard
Cornish	Garofalo	Kiel	McElpatrick	Sanders	Spk. Zellers

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

Kath moved to amend H. F. No. 934, the second engrossment, as amended, as follows:

Page 31, delete section 5

Page 48, delete sections 21 and 22

Page 54, delete subdivision 19

Renumber the subdivisions in sequence

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 Kath amendment and the roll was called. There were 57 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Anzelc	Fritz	Hortman	Liebling	Murphy, E.	Scalze
Brynaert	Gauthier	Hosch	Lillie	Murphy, M.	Simon
Carlson	Greene	Johnson	Loeffler	Nelson	Slawik
Champion	Greiling	Kahn	Mahoney	Norton	Thissen
Clark	Hansen	Kath	Mariani	Paymar	Tillberry
Davnie	Hausman	Knuth	Marquart	Pelowski	Wagenius
Dill	Hayden	Koenen	Melin	Persell	Winkler
Dittrich	Hilstrom	LeMieur	Moran	Peterson, S.	
Eken	Hilty	Lenczewski	Morrow	Poppe	
Falk	Hornstein	Lesch	Mullery	Rukavina	

Those who voted in the negative were:

Anderson, B.	Daudt	Gunther	Lanning	Nornes	Swedzinski
Anderson, D.	Dean	Hackbarth	Leidiger	O'Driscoll	Torkelson
Anderson, P.	Dettmer	Hamilton	Lohmer	Peppin	Vogel
Anderson, S.	Doepke	Hancock	Loon	Petersen, B.	Wardlow
Banaian	Downey	Holberg	Mack	Quam	Westrom
Barrett	Drazkowski	Hoppe	Mazorol	Runbeck	Woodard
Beard	Erickson	Howes	McDonald	Sanders	Spk. Zellers
Benson, M.	Fabian	Kelly	McElpatrick	Schomacker	
Bills	Franson	Kieffer	McFarlane	Scott	
Buesgens	Garofalo	Kiel	McNamara	Shimanski	
Cornish	Gottwalt	Kiffmeyer	Murray	Smith	
Crawford	Gruenhagen	Kriesel	Myhra	Stensrud	

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

Norton and Benson, J., moved to amend H. F. No. 934, the second engrossment, as amended, as follows:

Page 77, delete section 4

Page 79, after line 27, insert:

"Sec. 5. Minnesota Statutes 2010, section 124D.135, subdivision 1, is amended to read:

Subdivision 1. **Revenue.** The revenue for early childhood family education programs for a school district equals ~~\$112 for fiscal year 2007 and \$120~~ \$127 for fiscal year ~~2008~~ 2012 and later, times the greater of:

(1) 150; or

(2) the number of people under five years of age residing in the district on October 1 of the previous school year.

EFFECTIVE DATE. This section is effective for revenue for fiscal years 2012 and later."

Page 80, delete section 6

Page 80, line 31, delete "10,095,000" and insert "11,845,000"

Page 80, line 32, delete "10,095,000" and insert "12,595,000"

Page 80, line 33, delete "\$7,067,000" and insert "\$8,817,000"

Page 81, line 1, delete "\$3,028,000" and insert "\$3,778,000" and delete "\$7,067,000" and insert "\$8,817,000"

Page 81, line 4, delete "22,466,000" and insert "24,216,000"

Page 81, line 5, delete "23,015,000" and insert "25,515,000"

Page 81, line 6, delete "\$15,924,000" and insert "\$17,674,000"

Page 81, line 7, delete "\$6,824,000" and insert "\$7,574,000" and delete "\$16,191,000" and insert "\$17,941,000"

Page 82, delete subdivision 9

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 Norton and Benson, J., amendment and the roll was called. There were 56 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Anzelc	Gauthier	Hosch	Loeffler	Murphy, M.	Simon
Brynaert	Greene	Johnson	Mahoney	Nelson	Slawik
Carlson	Greiling	Kahn	Mariani	Norton	Thissen
Champion	Hansen	Kath	Marquart	Paymar	Tillberry
Clark	Hausman	Knuth	McFarlane	Pelowski	Wagenius
Davnie	Hayden	Koenen	Melin	Persell	Winkler
Dill	Hilstrom	Lenczewski	Moran	Peterson, S.	
Eken	Hilty	Lesch	Morrow	Poppe	
Falk	Hornstein	Liebling	Mullery	Rukavina	
Fritz	Hortman	Lillie	Murphy, E.	Scalze	

Those who voted in the negative were:

Abeler	Crawford	Garofalo	Kiffmeyer	Murray	Smith
Anderson, B.	Daudt	Gottwalt	Kriesel	Myhra	Stensrud
Anderson, D.	Davids	Gruenhagen	Lanning	Nornes	Swedzinski
Anderson, P.	Dean	Gunther	Leidiger	O'Driscoll	Torkelson
Anderson, S.	Dettmer	Hackbarth	LeMieur	Peppin	Vogel
Banaian	Dittrich	Hancock	Lohmer	Petersen, B.	Wardlow
Barrett	Doepke	Holberg	Loon	Quam	Westrom
Beard	Downey	Hoppe	Mack	Runbeck	Woodard
Benson, M.	Drazkowski	Howes	Mazorol	Sanders	Spk. Zellers
Bills	Erickson	Kelly	McDonald	Schomacker	
Buesgens	Fabian	Kieffer	McElpatrick	Scott	
Cornish	Franson	Kiel	McNamara	Shimanski	

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

Brynaert, Mariani, Greiling, Kath, Morrow and Davnie moved to amend H. F. No. 934, the second engrossment, as amended, as follows:

Page 42, line 2, delete "122A.73" and insert "123B.147, subdivision 3, paragraph (b)"

Page 42, after line 7, insert:

"Sec. 14. Minnesota Statutes 2010, section 123B.147, subdivision 3, is amended to read:

Subd. 3. **Duties; evaluation.** (a) The principal shall provide administrative, supervisory, and instructional leadership services, under the supervision of the superintendent of schools of the district and ~~in accordance with~~ according to the policies, rules, and regulations of the school board of education, for the planning, management, operation, and evaluation of the education program of the building or buildings to which the principal is assigned.

(b) To enhance a principal's leadership skills and support and improve teaching practices, school performance, and student achievement, a district must develop and implement a performance-based system for annually evaluating school principals assigned to supervise a school building within the district. The evaluation must be designed to improve teaching and learning by supporting the principal in shaping the school's professional environment and developing teacher quality, performance, and effectiveness. The annual evaluation must:

(1) support and improve a principal's instructional leadership, organizational management, and professional development, and strengthen the principal's capacity in the areas of instruction, supervision, evaluation, and teacher development;

(2) include formative and summative evaluations;

(3) be consistent with a principal's job description, a district's long-term plans and goals, and the principal's own professional multiyear growth plans and goals, all of which must support the principal's leadership behaviors and practices, rigorous curriculum, school performance, and high-quality instruction;

(4) include on-the-job observations and previous evaluations;

(5) allow surveys to help identify a principal's effectiveness, leadership skills and processes, and strengths and weaknesses in exercising leadership in pursuit of school success;

(6) use longitudinal data on student academic growth as an evaluation component and incorporate district achievement goals and targets; and

(7) be linked to professional development that emphasizes improved teaching and learning, curriculum and instruction, student learning, and a collaborative professional culture.

The provisions of this paragraph are intended to provide districts with sufficient flexibility to accommodate district needs and goals related to developing, supporting, and evaluating principals.

EFFECTIVE DATE. This section is effective for the 2013-2014 school year and later."

Page 47, line 23, delete "122A.73" and insert "123B.147, subdivision 3, paragraph (b)"

Pages 85 to 107, delete sections 1 to 24, and insert:

"Section 1. Minnesota Statutes 2010, section 122A.40, subdivision 5, is amended to read:

Subd. 5. **Probationary period.** (a) The first three consecutive years of a teacher's first teaching experience in Minnesota in a single district is deemed to be a probationary period of employment, and after completion thereof, the probationary period in each district in which the teacher is thereafter employed shall be one year. The school board must adopt a plan for written evaluation of teachers during the probationary period that is consistent with subdivision 8. Evaluation must occur at least three times each year at appropriate intervals for a teacher performing services on 120 or more school days, at least two times each year for a teacher performing services on 60 to 119 school days, and at least one time each year for a teacher performing services on fewer than 60 school days. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school must not be included in determining the number of school days on which a teacher performs services. Except as otherwise provided in paragraph (b), during the probationary period any annual contract with any teacher may or may not be renewed as the school board shall see fit. However, the board must give any such teacher whose contract it declines to renew for the following school year written notice to that effect before July 1. If the teacher requests reasons for any nonrenewal of a teaching contract, the board must give the teacher its reason in writing, including a statement that appropriate supervision was furnished describing the nature and the extent of such supervision furnished the teacher during the employment by the board, within ten days after receiving such request. The school board may, after a hearing held upon due notice, discharge a teacher during the probationary period for cause, effective immediately, under section 122A.44.

(b) A board must discharge a probationary teacher, effective immediately, upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's license has been revoked due to a conviction for child abuse or sexual abuse.

(c) A probationary teacher whose first three years of consecutive employment are interrupted for active military service and who promptly resumes teaching consistent with federal reemployment timelines for uniformed service personnel under United States Code, title 38, section 4312(e), is considered to have a consecutive teaching experience for purposes of paragraph (a).

(d) A probationary teacher must complete at least 60 days of teaching service each year during the probationary period. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school do not count as days of teaching service under this paragraph.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all collective bargaining agreements ratified after that date.

Sec. 2. Minnesota Statutes 2010, section 122A.40, subdivision 6, is amended to read:

Subd. 6. **Mentoring for probationary teachers.** A school board and an exclusive representative of the teachers in the district must develop a probationary teacher peer review process through joint agreement that is consistent with subdivision 8. The process may include having trained observers serve as mentors or coaches or having teachers participate in professional learning communities.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all collective bargaining agreements ratified after that date.

Sec. 3. Minnesota Statutes 2010, section 122A.40, subdivision 8, is amended to read:

Subd. 8. **Development, evaluation, and peer coaching for continuing contract teachers.** (a) To improve student learning and success, a school board and an exclusive representative of the teachers in the district shall, consistent with paragraph (b), may develop a an annual teacher evaluation and peer review process for probationary and continuing contract teachers through joint agreement. If a school board and the exclusive representative of the teachers in the district do not agree to an annual teacher evaluation and peer review process, then the school board and the exclusive representative of the teachers must implement the plan for evaluation and review developed under paragraph (c) that is consistent with this subdivision. The process may must include having trained observers serve as peer coaches or having teachers participate in professional learning communities, consistent with paragraph (b).

(b) To develop, improve, and support qualified teachers and effective teaching practices and improve student learning and success, the annual evaluation process for teachers must:

(1) for probationary teachers, provide for all evaluations required under subdivision 5;

(2) establish a three-year professional evaluation cycle for each teacher that includes an individual growth and development plan, a peer review process, the opportunity to participate in a professional learning community under paragraph (a), and at least one summative evaluation performed by a qualified and trained school administrator;

(3) be based on professional teaching standards established in rule;

(4) coordinate staff development activities under sections 122A.60 and 122A.61 with this evaluation process and teachers' evaluation outcomes;

(5) provide time during the school day and school year for peer coaching and teacher collaboration;

(6) include mentoring and induction programs;

(7) include an option for teachers to develop and present a portfolio demonstrating evidence of reflection and professional growth, consistent with section 122A.18, subdivision 4, paragraph (b), and include teachers' own performance assessment based on student work samples and examples of teachers' work, which may include video among other activities for the summative evaluation;

(8) use longitudinal data on student academic growth, student attendance, student engagement and connection, other outcome measures under section 120B.35, and other measures of student learning explicitly aligned with the elements of curriculum for which teachers are responsible;

(9) require qualified and trained administrators to perform summative evaluations;

(10) give teachers not meeting professional teaching standards under clause (3) or other professional criteria sufficient support to improve through a teacher improvement process that includes established goals and timelines; and

(11) provide for a teacher not making adequate progress in the teacher improvement process under clause (10) to be issued discipline that may include being issued a last chance warning, terminated, discharged, not renewed, or otherwise subjected to discipline that school administrators deem appropriate; transferred to a different position; or granted a leave of absence to address issues of teacher effectiveness.

(c) The department, in consultation with an equal number of teacher and administrator representatives appointed by their respective organizations, representing the Board of Teaching, the Minnesota Association of School Administrators, the Minnesota School Boards Association, the Minnesota Elementary and Secondary Principals Associations, Education Minnesota, and representatives of the Minnesota Assessment Group and Minnesota postsecondary institutions with research expertise in teacher evaluation, must create and publish a teacher evaluation process that complies with the requirements in paragraph (b) and applies to all teachers under sections 122A.40 and 122A.41 for whom no agreement exists under paragraph (a) for an annual teacher evaluation and peer review process. The teacher evaluation process created under this subdivision does not create additional due process rights for probationary teachers under subdivision 5.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all collective bargaining agreements ratified after that date.

Sec. 4. Minnesota Statutes 2010, section 122A.41, subdivision 2, is amended to read:

Subd. 2. **Probationary period; discharge or demotion.** (a) All teachers in the public schools in cities of the first class during the first three years of consecutive employment shall be deemed to be in a probationary period of employment during which period any annual contract with any teacher may, or may not, be renewed as the school board, after consulting with the peer review committee charged with evaluating the probationary teachers under subdivision 3, shall see fit. The school site management team or the school board if there is no school site management team, shall adopt a plan for a written evaluation of teachers during the probationary period according to ~~subdivision~~ subdivisions 3 and 5. Evaluation by the peer review committee charged with evaluating probationary teachers under subdivision 3 shall occur at least three times each year at appropriate intervals for a teacher performing services on 120 or more school days, at least two times each year for a teacher performing services on 60 to 119 school days, and at least one time each year for a teacher performing services on fewer than 60 school days. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school shall not be included in determining the number of school days on which a teacher performs services. The school board may, during such probationary period, discharge or demote a teacher for any of the causes as specified in this code. A written statement of the cause of such discharge or demotion shall be given to the teacher by the school board at least 30 days before such removal or demotion shall become effective, and the teacher so notified shall have no right of appeal therefrom.

(b) A probationary teacher whose first three years of consecutive employment are interrupted for active military service and who promptly resumes teaching consistent with federal reemployment timelines for uniformed service personnel under United States Code, title 38, section 4312(e), is considered to have a consecutive teaching experience for purposes of paragraph (a).

(c) A probationary teacher must complete at least 60 days of teaching service each year during the probationary period. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school do not count as days of teaching service under this paragraph.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all collective bargaining agreements ratified after that date.

Sec. 5. Minnesota Statutes 2010, section 122A.41, subdivision 3, is amended to read:

Subd. 3. **Mentoring for probationary teachers.** A board and an exclusive representative of the teachers in the district must develop a probationary teacher peer review process through joint agreement that is consistent with subdivision 5. The process may include having trained observers serve as mentors or coaches or having teachers participate in professional learning communities.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all collective bargaining agreements ratified after that date.

Sec. 6. Minnesota Statutes 2010, section 122A.41, subdivision 5, is amended to read:

Subd. 5. **Development, evaluation, and peer coaching for continuing contract teachers.** (a) To improve student learning and success, a school board and an exclusive representative of the teachers in the district ~~must,~~ consistent with paragraph (b), may develop a an annual teacher evaluation peer review process for probationary and nonprobationary teachers through joint agreement. If a school board and the exclusive representative of the teachers in the district do not agree to an annual teacher evaluation and peer review process, then the school board and the exclusive representative of the teachers must implement the plan for evaluation and review developed under paragraph (c) that is consistent with this subdivision. The process ~~may~~ must include having trained observers serve as peer coaches or having teachers participate in professional learning communities, consistent with paragraph (b).

(b) To develop, improve, and support qualified teachers and effective teaching practices and improve student learning and success, the annual evaluation process for teachers must:

(1) for probationary teachers, provide for all evaluations required under subdivision 2;

(2) establish a three-year professional evaluation cycle for each teacher that includes an individual growth and development plan, a peer review process, the opportunity to participate in a professional learning community under paragraph (a), and at least one summative evaluation performed by a qualified and trained administrator;

(3) be based on professional teaching standards established in rule;

(4) coordinate staff development activities under sections 122A.60 and 122A.61 with this evaluation process and teachers' evaluation outcomes;

(5) provide time during the school day and school year for peer coaching and teacher collaboration;

(6) include mentoring and induction programs;

(7) include an option for teachers to develop and present a portfolio demonstrating evidence of reflection and professional growth, consistent with section 122A.18, subdivision 4, paragraph (b), and include teachers' own performance assessment based on student work samples and examples of teachers' work, which may include video among other activities for the summative evaluation;

(8) use longitudinal data on student academic growth, student attendance, student engagement and connection, and other outcome measures under section 120B.35 as evaluation components;

(9) require qualified and trained administrators to perform summative evaluations;

(10) give teachers not meeting professional teaching standards under clause (3) or other professional criteria sufficient support to improve through an established teacher improvement process; and

(11) provide for a teacher not making adequate progress in the teacher improvement process under clause (10) to be transferred to a different position, granted a leave of absence to address issues of teacher effectiveness, issued discipline that may include being issued a last chance warning, terminated, discharged, not renewed, or otherwise subjected to discipline that school administrators deem appropriate:

(c) The department, in consultation with an equal number of teacher and administrator representatives appointed by their respective organizations, representing the Board of Teaching, the Minnesota Association of School Administrators, the Minnesota School Boards Association, the Minnesota Elementary and Secondary Principals Associations, Education Minnesota, representatives of the Minnesota Assessment Group and Minnesota postsecondary institutions with research expertise in teacher evaluation, and other education stakeholders, must create and publish a teacher evaluation process that complies with the requirements in paragraph (b) and applies to all teachers under sections 122A.40 and 122A.41 for whom no agreement exists under paragraph (a) for an annual teacher evaluation and peer review process. The teacher evaluation process created under this subdivision does not create additional due process rights for probationary teachers under subdivision 2.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all collective bargaining agreements ratified after that date."

Pages 109 to 110, delete sections 27 to 29

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

CALL OF THE HOUSE

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

Abeler	Dean	Hamilton	Koenen	Melin	Runbeck
Anderson, B.	Dettmer	Hancock	Kriesel	Moran	Sanders
Anderson, D.	Dill	Hansen	Lanning	Morrow	Scalze
Anderson, P.	Dittrich	Hausman	Leidiger	Mullery	Schomacker
Anderson, S.	Doepke	Hayden	LeMieur	Murphy, E.	Scott
Anzelc	Downey	Hilstrom	Lenczewski	Murphy, M.	Simon
Banaian	Drazkowski	Hilty	Lesch	Murray	Slawik
Barrett	Eken	Holberg	Liebling	Myhra	Smith
Beard	Erickson	Hoppe	Lillie	Nelson	Stensrud
Benson, M.	Fabian	Hornstein	Loeffler	Nornes	Swedzinski
Bills	Falk	Hortman	Lohmer	Norton	Thissen
Brynaert	Franson	Hosch	Loon	O'Driscoll	Tillberry
Buesgens	Fritz	Howes	Mack	Paymar	Torkelson
Carlson	Garofalo	Johnson	Mahoney	Pelowski	Urdahl
Champion	Gauthier	Kahn	Mariani	Peppin	Vogel
Clark	Gottwalt	Kath	Marquart	Persell	Wagenius
Cornish	Greene	Kelly	Mazorol	Petersen, B.	Wardlow
Crawford	Greiling	Kieffer	McDonald	Peterson, S.	Westrom
Daudt	Gruenhagen	Kiel	McElfratrick	Poppe	Winkler
Davids	Gunther	Kiffmeyer	McFarlane	Quam	Woodard
Davnie	Hackbarth	Knuth	McNamara	Rukavina	Spk. Zellers

Dean 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 Brynaert et al amendment and the roll was called. There were 59 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Abeler	Eken	Hilty	Lesch	Mullery	Rukavina
Anzelc	Falk	Hornstein	Liebling	Murphy, E.	Scalze
Brynaert	Fritz	Hortman	Lillie	Murphy, M.	Simon
Carlson	Gauthier	Hosch	Loeffler	Nelson	Slawik
Champion	Greene	Johnson	Mahoney	Norton	Thissen
Clark	Greiling	Kahn	Mariani	Paymar	Tillberry
Davids	Hansen	Kath	Marquart	Pelowski	Urdahl
Davnie	Hausman	Knuth	Melin	Persell	Wagenius
Dill	Hayden	Koenen	Moran	Peterson, S.	Winkler
Dittrich	Hilstrom	Lenczewski	Morrow	Poppe	

Those who voted in the negative were:

Anderson, B.	Daudt	Gunther	Lanning	Myhra	Stensrud
Anderson, D.	Dean	Hackbarth	Leidiger	Nornes	Swedzinski
Anderson, P.	Dettmer	Hamilton	LeMieur	O'Driscoll	Torkelson
Anderson, S.	Doepke	Hancock	Lohmer	Peppin	Vogel
Banaian	Downey	Holberg	Loon	Petersen, B.	Wardlow
Barrett	Drazkowski	Hoppe	Mack	Quam	Westrom
Beard	Erickson	Howes	Mazorol	Runbeck	Woodard
Benson, M.	Fabian	Kelly	McDonald	Sanders	Spk. Zellers
Bills	Franson	Kieffer	McElpatrick	Schomacker	
Buesgens	Garofalo	Kiel	McFarlane	Scott	
Cornish	Gottwalt	Kiffmeyer	McNamara	Shimanski	
Crawford	Gruenhagen	Kriesel	Murray	Smith	

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

CALL OF THE HOUSE LIFTED

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

Mariani moved to amend H. F. No. 934, the second engrossment, as amended, as follows:

Page 27, delete section 4 and insert:

"Sec. 4. Minnesota Statutes 2010, section 120B.30, is amended by adding a subdivision to read:

Subd. 1b. High school assessments. (a) Notwithstanding any other law to the contrary, the commissioner shall establish a system of high school assessments for students entering grade 8 in the 2011-2012 school year and later that provides information on the college and career readiness of Minnesota students and fulfills federal accountability requirements, consistent with this subdivision and related rules. For purposes of this subdivision, "college and career readiness" means the knowledge and skills that a high school graduate needs to undertake either credit-bearing coursework at a two-year or four-year college or university or career-track employment that pays a living wage, provides employment benefits, and offers clear pathways for advancement through further education and training.

(b) The commissioner shall establish and administer a high school reading and writing exam at the end of grade 10. The reading and writing exam must conform with the following:

- (1) align with the most recently revised academic content standards under section 120B.023, subdivision 2;
- (2) produce independent scores for each content area;
- (3) include both multiple-choice and open-ended items on the reading portion of the exam to assess skills defined in the state's academic content standards;
- (4) be designed for computer administration and scoring so that, beginning the second year a computerized test is administered and as soon as practicable during the first year a computerized test is administered, the exam results of students who take computerized tests are available to the school or district within three full school days after the exam is administered, among other design characteristics;
- (5) allow for remediation and frequent computer retests of the reading and writing portions of the exam;
- (6) use achievement level descriptors in reading and writing that define a student's readiness for college or a career;
- (7) require all general education students, as a condition of graduating, to achieve passing scores in reading and writing established through a professionally recognized methodology, consistent with this paragraph;
- (8) require general education students to participate in a locally developed remediation plan if they do not achieve a passing score after two retest opportunities;
- (9) provide a state-level student appeals process that accommodates alternative measures to demonstrate students' college and career readiness and is available only to those limited number of students in the second semester of their senior year who are unable to demonstrate reading or writing proficiency on the assessment but can demonstrate equivalent levels of knowledge and skill based on the alternative measures; and
- (10) allow an eligible student to meet this exam requirement through an alternative method:
 - (i) for high school students who transfer into Minnesota from another state where the high school reading and writing course and graduation requirements are of equal or greater rigor, meet that state's federal accountability exams requirements in reading or writing, as applicable;
 - (ii) allow a student who has an active individualized education program to achieve a passing status at an individual level as prescribed by the commissioner;
 - (iii) waive the required exam for a high school student who is an English language learner under section 124D.59 and who has been enrolled for four or fewer school years in a school in which English is the primary language of instruction; or
 - (iv) other alternative methods recommended by the Assessment Advisory Committee, if subsequently specifically authorized by law to allow other alternative methods.

All general education students must receive a passing score in both reading and writing to graduate, consistent with paragraph (e). A score below "passing" means that there is a high likelihood that the student does not have the reading and writing skills needed to succeed in postsecondary education or the workplace. The commissioner must establish the passing score based on the recommendations of both kindergarten through grade 12 and postsecondary

educators with relevant language arts expertise and employers and other community leaders who understand the knowledge and skills that individuals need for work and citizenship, and an established statistical relationship between two consecutive years of students' exam results and other indicators of college and career readiness that the commissioner develops in consultation with the Assessment Advisory Committee under section 120B.365.

(c) The commissioner shall establish statewide end-of-course exams in subjects equivalent to high school algebra and biology. These exams must conform with the following:

(1) align with the most recently revised academic content standards under section 120B.023, subdivision 2;

(2) include both multiple-choice and open-ended items that assess the appropriate algebra and biology knowledge and skills contained in the state's academic content standards;

(3) be designed for computer administration and scoring so that, beginning the second year a computerized test is administered and as soon as practicable during the first year a computerized test is administered, the exam results of students who take computerized tests are available to the school or district within three full school days after the exam is administered, among other design characteristics;

(4) be administered at regular intervals that align with the most common high school schedules in Minnesota;

(5) generate achievement levels established through a professionally recognized methodology;

(6) use achievement level descriptors that define a student's college and career readiness;

(7) comprise 25 percent of the student's overall course grade in the corresponding course, except a school that is identified as highly misaligned under clause (11) for two consecutive school years or more shall make the exam results a component of and equivalent to 50 percent of the student's overall course grade in algebra or biology, as applicable;

(8) require a student who does not pass a high school algebra or biology course to (i) retake the course or complete a district-authorized credit recovery class, (ii) opt, at the student's election, to retake the end-of-course assessment within a regularly scheduled administration window, and (iii) have the student select the exam score on the initial test or the retest to count as the equivalent of 25 percent of the student's overall course grade, or the equivalent of 50 percent if the school has been identified as highly misaligned for two consecutive school years or more, consistent with clause (7);

(9) allow an eligible student to meet this requirement through an alternative method that demonstrates the student's college and career readiness:

(i) for high school students who transfer into Minnesota from another state where the algebra or biology course content, as applicable, is of equal or greater rigor, pass that state's high school course and graduation requirements in algebra or biology, as applicable;

(ii) allow a student who has an active individualized education program to achieve a passing status at an individual level as prescribed by the commissioner;

(iii) waive the required exam for a high school student who is an English language learner under section 124D.59 and who has been enrolled for four or fewer years in a school in which English is the primary language of instruction; or

(iv) other alternative methods recommended by the Assessment Advisory Committee, if subsequently specifically authorized by law to allow other alternative methods;

(10) use three consecutive school years of research and analysis through the 2015-2016 school year, as prescribed by the commissioner, to calculate and report an alignment index that compares students' final grades in these courses with their end-of-course exam scores;

(11) subsequent to calculating and reporting the alignment index under clause (10), require schools that are highly misaligned for two or more consecutive school years to transmit written notice of the misalignment to all parents of students enrolled in the school, as prescribed by the commissioner; and

(12) when schools are highly misaligned for two or more consecutive years under clause (11), use school district funds under section 122A.60, subdivision 1a, paragraph (a), to correct the misalignment.

A highly misaligned school that must count a student's algebra or biology exam score, as applicable, as the equivalent of 50 percent of the student's overall course grade under clause (7) or (8) may again count a student's exam score as the equivalent of 25 percent of the student's overall course grade when the school is not identified as highly misaligned in two subsequent consecutive school years.

(d) The requirements of this subdivision apply to students in public schools, including charter schools, who enter grade 8 in the 2011-2012 school year or later. The commissioner may establish a transition period where students who enter grade 8 in the 2011-2012 or 2012-2013 school year graduate either under the graduation-required assessment for diploma requirements under section 120B.30, subdivision 1, or through a staggered implementation of this subdivision. During the transition period, the proficiency of any federal or state-required interim passing score in reading or writing must be comparable in rigor to the passing scores currently required for reading and writing under the graduation-required assessment for diploma. The commissioner may seek authority from the legislature to adjust the timeline under this paragraph if circumstances such as changes in federal law governing educational accountability and assessment warrant such an adjustment.

(e) To fully implement this subdivision and enable school districts to provide intervention and support to struggling students and improve instruction for all students, the commissioner must provide districts with:

(i) benchmark assessments that are aligned with the high school reading and writing assessment and algebra and biology end-of-course exams; and

(ii) an item bank available to teachers for creating formative assessments to help students prepare for the high school reading and writing assessment and algebra and biology end-of-course exams. The benchmark assessments must be available to districts for at least two full school years before students are required to achieve a passing score on the reading and writing exam to graduate from high school.

(f) The commissioner shall expand the membership and purpose of the Assessment Advisory Committee established under section 120B.365 to include assessment experts and practitioners from both secondary and postsecondary education systems and other appropriate stakeholders to monitor the implementation of and student outcomes based on the end-of-course exams and policies and the state support available to districts, including small or rural districts, under this subdivision. This committee shall report annually by February 15 to the commissioner and the legislature on the implementation of and student outcomes based on the exams and policies under this subdivision. Notwithstanding section 15.059, subdivision 3, committee members shall not receive compensation, per diem payments, or reimbursement for expenses.

(g) Using a solicitation process that includes a request for proposal process and multiple responses, the commissioner shall contract for at least two independent studies at two-year intervals to evaluate: (1) the implementation of the requirements and (2) the availability and efficacy of resources to support and improve student

outcomes based on student achievement data under this subdivision. The commissioner must submit the results of the first study to the education policy and finance committees of the legislature by February 15, 2016. The commissioner must submit the results of the second study to the legislature by February 15, 2018.

(h) The commissioner must not begin to develop additional statewide end-of-course exams in geometry, chemistry, or physics until specifically authorized in law to do so.

(i) A district or charter school must indicate on a student's transcript the student's level of college and career readiness in reading, writing, algebra, and biology under this subdivision after the levels have been established through a professionally recognized methodology.

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

Page 49, delete section 23 and insert:

"Sec. 23. **ASSESSMENT ADVISORY COMMITTEE; RECOMMENDATIONS.**

(a) The Assessment Advisory Committee under Minnesota Statutes, section 120B.365, must develop recommendations for alternative methods by which students meet the reading and writing exam requirement under Minnesota Statutes, section 120B.30, subdivision 1b, paragraph (b), clause (10). The Assessment Advisory Committee, among other alternative methods and if consistent with federal educational accountability law, must consider allowing students to:

(1) achieve a college-credit score on a college-level examination program (CLEP) for reading and writing; or

(2) achieve a college readiness score in the relevant subject area on the American college test (ACT) or scholastic aptitude test (SAT) exam.

(b) The Assessment Advisory Committee must develop recommendations for alternative methods by which students satisfy the high school algebra and biology requirements under Minnesota Statutes, section 120B.30, subdivision 1b, paragraph (c), clause (9), and demonstrate their college and career readiness. The Assessment Advisory Committee, among other alternative methods and if consistent with federal educational accountability law, must consider allowing students to:

(1) achieve the mathematics or science college readiness score on the American college test (ACT) or scholastic aptitude test (SAT) exam;

(2) achieve a college-credit score on a college-level examination program (CLEP) for algebra or biology;

(3) achieve a score on an equivalent advanced placement or international baccalaureate exam that would earn credit at a four-year college or university; or

(4) pass a credit-bearing course in college algebra or college biology or a more advanced course in either subject with a grade of C or better under Minnesota Statutes, section 124D.09, including Minnesota Statutes, section 124D.09, subdivision 10.

(c) The Assessment Advisory Committee, in the context of the high school assessments under Minnesota Statutes, section 120B.30, subdivision 1b, may develop recommendations on integrating universal design principles to improve access to learning and assessments for all students, more accurately understand what students know and can do, provide Minnesota with more cost-effective assessments, and provide educators with more valid inferences about students' achievement levels.

(d) The Assessment Advisory Committee, for purposes of fully implementing the high school assessment system under Minnesota Statutes, section 120B.30, subdivision 1b, also must develop recommendations for:

(1) the administrative structure, criteria, and processes for implementing the state-level student appeals process;

(2) calculating the alignment index, including how questions about validity and reliability are resolved; and

(3) defining "misaligned" and "highly misaligned" and when and under what specific circumstances misalignments occur.

(e) By February 15, 2012, the Assessment Advisory Committee must submit its recommendations under this section to the education commissioner and the education policy and finance committees of the legislature.

(f) The commissioner must not implement any element of any recommendation under paragraphs (a) to (e) related to the high school assessment system under Minnesota Statutes, section 120B.30, subdivision 1b, without first receiving specific legislative authority to do so.

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

A roll call was requested and properly seconded.

The question was taken on the Mariani amendment and the roll was called. There were 52 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Anzelc	Fritz	Hornstein	Lillie	Murphy, M.	Simon
Brynaert	Gauthier	Hosch	Loeffler	Nelson	Slawik
Carlson	Greene	Johnson	Mahoney	Norton	Smith
Champion	Greiling	Kahn	Mariani	Pelowski	Thissen
Clark	Hansen	Kath	Melin	Persell	Tillberry
Davnie	Hausman	Knuth	Moran	Peterson, S.	Wagenius
Dill	Hayden	Koenen	Morrow	Poppe	Winkler
Eken	Hilstrom	Lesch	Mullery	Rukavina	
Falk	Hilty	Liebling	Murphy, E.	Scalze	

Those who voted in the negative were:

Anderson, B.	Cornish	Erickson	Holberg	Leidiger	McFarlane
Anderson, D.	Crawford	Fabian	Hoppe	LeMieur	McNamara
Anderson, P.	Daudt	Franson	Hortman	Lenczewski	Murray
Anderson, S.	Davids	Garofalo	Howes	Lohmer	Myhra
Banaian	Dean	Gottwalt	Kelly	Loon	Nornes
Barrett	Dettmer	Gruenhagen	Kieffer	Mack	O'Driscoll
Beard	Dittrich	Gunther	Kiel	Marquart	Paymar
Benson, M.	Doepke	Hackbarth	Kiffmeyer	Mazorol	Peppin
Bills	Downey	Hamilton	Kriesel	McDonald	Petersen, B.
Buesgens	Drazkowski	Hancock	Lanning	McElfatrick	Quam

Runbeck	Scott	Swedzinski	Vogel	Woodard
Sanders	Shimanski	Torkelson	Wardlow	Spk. Zellers
Schomacker	Stensrud	Urdahl	Westrom	

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

H. F. No. 934, A bill for an act relating to education; providing for policy and funding for family, adult, and prekindergarten through grade 12 education including general education, academic excellence, special education, facilities and technology, nutrition and accounting, libraries, early childhood education, prevention, self-sufficiency and lifelong learning, state agencies, and forecast adjustments; requiring reports; requiring studies; appropriating money; amending Minnesota Statutes 2010, sections 13D.02, by adding a subdivision; 16A.152, subdivision 2; 93.22, subdivision 1; 93.2236; 120A.41; 120B.023, subdivision 2; 120B.07; 120B.30, subdivision 1, by adding a subdivision; 120B.35, subdivision 1; 120B.36, subdivision 1; 122A.40, subdivisions 5, 6, 7, 8, 9, 10, 11, by adding subdivisions; 122A.41, subdivisions 2, 3, 4, 5, 6, 14, by adding a subdivision; 122A.414, subdivisions 1a, 2, 2a, 2b, 4; 122A.416; 122A.60; 122A.61, subdivision 1; 123A.55; 123B.02, subdivision 15; 123B.09, subdivision 8; 123B.143, subdivision 1; 123B.54; 123B.59, subdivision 5; 123B.75, subdivision 5; 124D.10, subdivision 3; 124D.19, subdivision 3; 124D.531, subdivision 1; 124D.86, subdivision 3; 125A.07; 125A.21, subdivisions 2, 3, 5, 7; 125A.515, by adding a subdivision; 125A.69, subdivision 1; 125A.76, subdivision 1; 125A.79, subdivision 1; 126C.10, subdivisions 1, 2, 2a, 3, 7, 8, 8a, 13a, 14, by adding a subdivision; 126C.126; 126C.20; 126C.40, subdivision 1; 126C.44; 127A.33; 127A.441; 127A.45, subdivision 2; 179A.16, subdivision 1; 179A.18, subdivisions 1, 3; 298.28, subdivisions 2, 4; Laws 2009, chapter 79, article 5, section 60, as amended; Laws 2009, chapter 96, article 1, section 24, subdivisions 2, as amended, 3, 4, as amended, 5, as amended, 6, as amended, 7, as amended; article 2, section 67, subdivisions 2, as amended, 3, as amended, 4, as amended, 6, 9, as amended; article 3, section 21, subdivisions 3, 4, as amended; article 4, section 12, subdivision 6, as amended; article 5, section 13, subdivisions 2, 3, 4, as amended; article 6, section 11, subdivisions 3, as amended, 4, as amended, 8, as amended, 12, as amended; proposing coding for new law in Minnesota Statutes, chapters 120B; 122A; 124D; 179A; repealing Minnesota Statutes 2010, sections 122A.61; 123B.05; 123B.59, subdivisions 6, 7; 124D.86, subdivisions 1, 1a, 2, 4, 5, 6; 126C.10, subdivision 5; 127A.46; 129C.10, subdivisions 1, 2, 3, 3a, 4, 6, 7, 8; 129C.105; 129C.15; 129C.20; 129C.25; 129C.26; 179A.18, subdivision 2; Laws 2009, chapter 88, article 12, section 23.

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 68 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Abeler	Daudt	Gunther	Leidiger	Nornes	Swedzinski
Anderson, B.	Dauids	Hamilton	LeMieur	O'Driscoll	Torkelson
Anderson, D.	Dean	Hancock	Lohmer	Peppin	Urdahl
Anderson, P.	Dettmer	Holberg	Loon	Petersen, B.	Vogel
Anderson, S.	Doepke	Hoppe	Mack	Quam	Wardlow
Banaian	Downey	Howes	Mazorol	Runbeck	Westrom
Barrett	Erickson	Kelly	McDonald	Sanders	Woodard
Beard	Fabian	Kieffer	McElfatrick	Schomacker	Spk. Zellers
Benson, M.	Franson	Kiel	McFarlane	Scott	
Bills	Garfalo	Kiffmeyer	McNamara	Shimanski	
Cornish	Gottwalt	Kriesel	Murray	Smith	
Crawford	Gruenhagen	Lanning	Myhra	Stensrud	

Those who voted in the negative were:

Anzelc	Eken	Hilstrom	Lenczewski	Morrow	Poppe
Brynaert	Falk	Hilty	Lesch	Mullery	Rukavina
Buesgens	Fritz	Hornstein	Liebling	Murphy, E.	Scalze
Carlson	Gauthier	Hortman	Lillie	Murphy, M.	Simon
Champion	Greene	Hosch	Loeffler	Nelson	Slawik
Clark	Greiling	Johnson	Mahoney	Norton	Thissen
Davnie	Hackbarth	Kahn	Mariani	Paymar	Tillberry
Dill	Hansen	Kath	Marquart	Pelowski	Wagenius
Dittrich	Hausman	Knuth	Melin	Persell	Winkler
Drazkowski	Hayden	Koenen	Moran	Peterson, S.	

The bill was passed, as amended, and its title agreed to.

CALENDAR FOR THE DAY

Dean moved that the Calendar for the Day be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Kath moved that the name of Clark be added as an author on H. F. No. 454. The motion prevailed.

Cornish moved that the name of Ward be added as an author on H. F. No. 977. The motion prevailed.

Kelly moved that the name of McFarlane be added as an author on H. F. No. 1016. The motion prevailed.

Murphy, E., moved that her name be stricken as an author on H. F. No. 1086. The motion prevailed.

Murphy, E., moved that her name be stricken as an author on H. F. No. 1087. The motion prevailed.

Mullery moved that the name of Fritz be added as an author on H. F. No. 1098. The motion prevailed.

Anderson, B., moved that the name of Clark be added as an author on H. F. No. 1157. The motion prevailed.

Brynaert moved that the name of Clark be added as an author on H. F. No. 1173. The motion prevailed.

Hayden moved that the names of Howes and Gunther be added as authors on H. F. No. 1257. The motion prevailed.

Mullery moved that the name of Greene be added as an author on H. F. No. 1307. The motion prevailed.

Hayden moved that the name of Greene be added as an author on H. F. No. 1313. The motion prevailed.

Gruenhagen moved that the name of Kiffmeyer be added as an author on H. F. No. 1317. The motion prevailed.

Abeler moved that the name of Morrow be added as an author on H. F. No. 1320. The motion prevailed.

ADJOURNMENT

Dean moved that when the House adjourns today it adjourn until 4:30 p.m., Wednesday, March 30, 2011. The motion prevailed.

Dean moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 4:30 p.m., Wednesday, March 30, 2011.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

