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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 32

01/04/2023 Authored by Noor, Hicks, Hussein, Pérez-Vega, Curran and others
The bill was read for the first time and referred to the Committee on Human Services Finance

1.1 A bill for an act
1.2 relating to human services; modifying rates for certain disability waiver services;
1.3 modifying rates for certain elderly waiver services; modifying rate floors for certain
1.4 customized living services; modifying rates for nursing facilities; establishing rate
1.5 floors for intermediate care facilities for persons with developmental disabilities;
1.6 modifying rates for intermediate care facilities for persons with developmental
1.7 disabilities; modifying rates for community first services and supports; modifying
1.8 rates for personal care assistance services; modifying rates for certain home care
1.9 services; modifying rates for nonemergency medical transportation services;
1.10 establishing a fuel cost rate adjustment for medical transportation services;
1.11 modifying provisions related to home and community-based services; modifying
1.12 provisions related to the emergency staffing pool; establishing a residential settings
1.13 closure prevention grant program; appropriating money; amending Minnesota
1.14 Statutes 2022, sections 256B.0625, subdivisions 17, 17a; 256B.0659, subdivisions
1.15 1, 12, 17a, 19, 24; 256B.0913, subdivisions 4, 5; 256B.4911, by adding a
1.16 subdivision; 256B.4912, by adding a subdivision; 256B.4914, subdivisions 3, as
1.17 amended, 4, 5, 5a, 5b, 5c, 5d, 5e, 8, 9, 10, 10a, 10c, 12, 14, by adding a subdivision;
1.18 256B.5012, by adding subdivisions; 256B.85, subdivisions 7, 7a, by adding a
1.19 subdivision; 256B.851, subdivision 5; 256E.35, subdivisions 1, 2, 4a, 6, 7; 256P.02,
1.20 by adding a subdivision; 256R.02, subdivisions 16, 24, 26, 29, 34, by adding
1.21 subdivisions; 256R.23, subdivisions 2, 3; 256R.24, subdivision 1; 256R.25;
1.22 256S.15, subdivision 2; 256S.18, by adding a subdivision; 256S.19, subdivision
1.23 3; 256S.205, subdivisions 3, 5; 256S.2101, subdivisions 1, 2, by adding
1.24 subdivisions; 256S.212; 256S.213; 256S.214; 256S.215; Laws 2022, chapter 40,
1.25 section 6; proposing coding for new law in Minnesota Statutes, chapter 256;
1.26 repealing Minnesota Statutes 2022, sections 256B.4914, subdivision 9a; 256S.19,
1.27 subdivision 4.

1.28 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.29 ARTICLE 1
1.30 CAREGIVERS STABILIZATION ACT

1.31 Section 1. TITLE.

1.32 This act may be cited as the "Caregivers Stabilization Act of 2023."

**ARTICLE 2****DISABILITY WAIVERS**

2.1  
2.2  
2.3 Section 1. Minnesota Statutes 2022, section 256B.4912, is amended by adding a subdivision  
2.4 to read:

2.5 Subd. 16. **Rates established by the commissioner.** For homemaker services eligible  
2.6 for reimbursement under the developmental disabilities waiver, the brain injury waiver, the  
2.7 community alternative care waiver, and the community access for disability inclusion waiver,  
2.8 the commissioner must establish rates equal to the rates established under sections 256S.21  
2.9 to 256S.215 for the corresponding homemaker services.

2.10 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
2.11 whichever is later. The commissioner of human services shall notify the revisor of statutes  
2.12 when federal approval is obtained.

2.13 Sec. 2. Minnesota Statutes 2022, section 256B.4914, subdivision 3, is amended to read:

2.14 Subd. 3. **Applicable services.** Applicable services are those authorized under the state's  
2.15 home and community-based services waivers under sections 256B.092 and 256B.49,  
2.16 including the following, as defined in the federally approved home and community-based  
2.17 services plan:

- 2.18 (1) 24-hour customized living;
- 2.19 (2) adult day services;
- 2.20 (3) adult day services bath;
- 2.21 (4) community residential services;
- 2.22 (5) customized living;
- 2.23 (6) day support services;
- 2.24 (7) employment development services;
- 2.25 (8) employment exploration services;
- 2.26 (9) employment support services;
- 2.27 (10) family residential services;
- 2.28 (11) individualized home supports;
- 2.29 (12) individualized home supports with family training;

- 3.1 (13) individualized home supports with training;
- 3.2 (14) integrated community supports;
- 3.3 (15) night supervision;
- 3.4 (16) positive support services;
- 3.5 (17) prevocational services;
- 3.6 (18) residential support services;
- 3.7 (19) ~~respite services~~;
- 3.8 ~~(20)~~ transportation services; and
- 3.9 ~~(21)~~ (20) other services as approved by the federal government in the state home and
- 3.10 community-based services waiver plan.

3.11 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,

3.12 whichever is later. The commissioner of human services shall notify the revisor of statutes

3.13 when federal approval is obtained.

3.14 Sec. 3. Minnesota Statutes 2022, section 256B.4914, subdivision 4, is amended to read:

3.15 Subd. 4. **Data collection for rate determination.** (a) Rates for applicable home and

3.16 community-based waived services, including customized rates under subdivision 12, are

3.17 set by the rates management system.

3.18 (b) Data and information in the rates management system must be used to calculate an

3.19 individual's rate.

3.20 (c) Service providers, with information from the support plan and oversight by lead

3.21 agencies, shall provide values and information needed to calculate an individual's rate in

3.22 the rates management system. The determination of service levels must be part of a discussion

3.23 with members of the support team as defined in section 245D.02, subdivision 34. This

3.24 discussion must occur prior to the final establishment of each individual's rate. The values

3.25 and information include:

- 3.26 (1) shared staffing hours;
- 3.27 (2) individual staffing hours;
- 3.28 (3) direct registered nurse hours;
- 3.29 (4) direct licensed practical nurse hours;
- 3.30 (5) staffing ratios;

4.1 (6) information to document variable levels of service qualification for variable levels  
4.2 of reimbursement in each framework;

4.3 (7) shared or individualized arrangements for unit-based services, including the staffing  
4.4 ratio;

4.5 (8) number of trips and miles for transportation services; and

4.6 (9) service hours provided through monitoring technology.

4.7 (d) Updates to individual data must include:

4.8 (1) data for each individual that is updated annually when renewing service plans; and

4.9 (2) requests by individuals or lead agencies to update a rate whenever there is a change  
4.10 in an individual's service needs, with accompanying documentation.

4.11 (e) Lead agencies shall review and approve all services reflecting each individual's needs,  
4.12 and the values to calculate the final payment rate for services with variables under  
4.13 subdivisions 6 to ~~9a~~ 9 for each individual. Lead agencies must notify the individual and the  
4.14 service provider of the final agreed-upon values and rate, and provide information that is  
4.15 identical to what was entered into the rates management system. If a value used was  
4.16 mistakenly or erroneously entered and used to calculate a rate, a provider may petition lead  
4.17 agencies to correct it. Lead agencies must respond to these requests. When responding to  
4.18 the request, the lead agency must consider:

4.19 (1) meeting the health and welfare needs of the individual or individuals receiving  
4.20 services by service site, identified in their support plan under section 245D.02, subdivision  
4.21 4b, and any addendum under section 245D.02, subdivision 4c;

4.22 (2) meeting the requirements for staffing under subdivision 2, paragraphs (h), (n), and  
4.23 (o); and meeting or exceeding the licensing standards for staffing required under section  
4.24 245D.09, subdivision 1; and

4.25 (3) meeting the staffing ratio requirements under subdivision 2, paragraph (o), and  
4.26 meeting or exceeding the licensing standards for staffing required under section 245D.31.

4.27 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
4.28 whichever is later. The commissioner of human services shall notify the revisor of statutes  
4.29 when federal approval is obtained.

5.1 Sec. 4. Minnesota Statutes 2022, section 256B.4914, subdivision 5, is amended to read:

5.2 Subd. 5. **Base wage index; establishment and updates.** (a) The base wage index is  
 5.3 established to determine staffing costs associated with providing services to individuals  
 5.4 receiving home and community-based services. For purposes of calculating the base wage,  
 5.5 Minnesota-specific wages taken from job descriptions and standard occupational  
 5.6 classification (SOC) codes from the Bureau of Labor Statistics as defined in the Occupational  
 5.7 Handbook must be used.

5.8 (b) The commissioner shall update the base wage index in subdivision 5a, publish these  
 5.9 updated values, and load them into the rate management system as follows:

5.10 (1) on January 1, 2022, based on wage data by SOC from the Bureau of Labor Statistics  
 5.11 available as of December 31, 2019; and

5.12 ~~(2) on November 1, 2024, based on wage data by SOC from the Bureau of Labor Statistics~~  
 5.13 ~~available as of December 31, 2021; and~~

5.14 ~~(3) (2) on July 1, 2026~~ January 1, 2024, and every two years thereafter, based on wage  
 5.15 data by SOC from the Bureau of Labor Statistics available ~~30~~ 24 months and one day prior  
 5.16 to the scheduled update.

5.17 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
 5.18 whichever is later. The commissioner of human services shall notify the revisor of statutes  
 5.19 when federal approval is obtained.

5.20 Sec. 5. Minnesota Statutes 2022, section 256B.4914, subdivision 5a, is amended to read:

5.21 Subd. 5a. **Base wage index; calculations.** The base wage index must be calculated as  
 5.22 follows:

5.23 (1) for supervisory staff, 100 percent of the median wage for community and social  
 5.24 services specialist (SOC code 21-1099), with the exception of the supervisor of positive  
 5.25 supports professional, positive supports analyst, and positive supports specialist, which is  
 5.26 100 percent of the median wage for clinical counseling and school psychologist (SOC code  
 5.27 19-3031);

5.28 (2) for registered nurse staff, 100 percent of the median wage for registered nurses (SOC  
 5.29 code 29-1141);

5.30 (3) for licensed practical nurse staff, 100 percent of the median wage for licensed practical  
 5.31 nurses (SOC code 29-2061);

6.1 (4) for residential asleep-overnight staff, the minimum wage in Minnesota for large  
6.2 employers, with the exception of asleep-overnight staff for family residential services, which  
6.3 is 36 percent of the minimum wage in Minnesota for large employers;

6.4 (5) for residential direct care staff, the sum of:

6.5 (i) 15 percent of the subtotal of 50 percent of the median wage for home health and  
6.6 personal care aide (SOC code 31-1120); 30 percent of the median wage for nursing assistant  
6.7 (SOC code 31-1131); and 20 percent of the median wage for social and human services  
6.8 aide (SOC code 21-1093); and

6.9 (ii) 85 percent of the subtotal of 40 percent of the median wage for home health and  
6.10 personal care aide (SOC code 31-1120); 20 percent of the median wage for nursing assistant  
6.11 (SOC code ~~31-1014~~ 31-1131); 20 percent of the median wage for psychiatric technician  
6.12 (SOC code 29-2053); and 20 percent of the median wage for social and human services  
6.13 aide (SOC code 21-1093);

6.14 (6) for adult day services staff, 70 percent of the median wage for nursing assistant (SOC  
6.15 code 31-1131); and 30 percent of the median wage for home health and personal care aide  
6.16 (SOC code 31-1120);

6.17 (7) for day support services staff and prevocational services staff, 20 percent of the  
6.18 median wage for nursing assistant (SOC code 31-1131); 20 percent of the median wage for  
6.19 psychiatric technician (SOC code 29-2053); and 60 percent of the median wage for social  
6.20 and human services aide (SOC code 21-1093);

6.21 (8) for positive supports analyst staff, 100 percent of the median wage for substance  
6.22 abuse, behavioral disorder, and mental health counselor (SOC code 21-1018);

6.23 (9) for positive supports professional staff, 100 percent of the median wage for clinical  
6.24 counseling and school psychologist (SOC code 19-3031);

6.25 (10) for positive supports specialist staff, 100 percent of the median wage for psychiatric  
6.26 technicians (SOC code 29-2053);

6.27 (11) for individualized home supports with family training staff, 20 percent of the median  
6.28 wage for nursing aide (SOC code 31-1131); 30 percent of the median wage for community  
6.29 social service specialist (SOC code 21-1099); 40 percent of the median wage for social and  
6.30 human services aide (SOC code 21-1093); and ten percent of the median wage for psychiatric  
6.31 technician (SOC code 29-2053);

6.32 (12) for individualized home supports with training services staff, 40 percent of the  
6.33 median wage for community social service specialist (SOC code 21-1099); 50 percent of

7.1 the median wage for social and human services aide (SOC code 21-1093); and ten percent  
7.2 of the median wage for psychiatric technician (SOC code 29-2053);

7.3 (13) for employment support services staff, 50 percent of the median wage for  
7.4 rehabilitation counselor (SOC code 21-1015); and 50 percent of the median wage for  
7.5 community and social services specialist (SOC code 21-1099);

7.6 (14) for employment exploration services staff, 50 percent of the median wage for  
7.7 ~~rehabilitation counselor (SOC code 21-1015)~~ education, guidance, school, and vocational  
7.8 counselor (SOC code 21-1012); and 50 percent of the median wage for community and  
7.9 social services specialist (SOC code 21-1099);

7.10 (15) for employment development services staff, 50 percent of the median wage for  
7.11 education, guidance, school, and vocational counselors (SOC code 21-1012); and 50 percent  
7.12 of the median wage for community and social services specialist (SOC code 21-1099);

7.13 (16) for individualized home support without training staff, 50 percent of the median  
7.14 wage for home health and personal care aide (SOC code 31-1120); and 50 percent of the  
7.15 median wage for nursing assistant (SOC code 31-1131); and

7.16 (17) for night supervision staff, 40 percent of the median wage for home health and  
7.17 personal care aide (SOC code 31-1120); 20 percent of the median wage for nursing assistant  
7.18 (SOC code 31-1131); 20 percent of the median wage for psychiatric technician (SOC code  
7.19 29-2053); and 20 percent of the median wage for social and human services aide (SOC code  
7.20 21-1093); ~~and~~.

7.21 ~~(18) for respite staff, 50 percent of the median wage for home health and personal care~~  
7.22 ~~aide (SOC code 31-1131); and 50 percent of the median wage for nursing assistant (SOC~~  
7.23 ~~code 31-1014).~~

7.24 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
7.25 whichever is later. The commissioner of human services shall notify the revisor of statutes  
7.26 when federal approval is obtained.

7.27 Sec. 6. Minnesota Statutes 2022, section 256B.4914, subdivision 5b, is amended to read:

7.28 Subd. 5b. **Standard component value adjustments.** The commissioner shall update  
7.29 the client and programming support, transportation, and program facility cost component  
7.30 values as required in subdivisions 6 to ~~9a~~ 9 for changes in the Consumer Price Index. The  
7.31 commissioner shall adjust these values higher or lower, publish these updated values, and  
7.32 load them into the rate management system as follows:

8.1 (1) on January 1, 2022, by the percentage change in the CPI-U from the date of the  
8.2 previous update to the data available on December 31, 2019; and

8.3 ~~(2) on November 1, 2024, by the percentage change in the CPI-U from the date of the~~  
8.4 ~~previous update to the data available as of December 31, 2021; and~~

8.5 ~~(3)~~ (2) on ~~July~~ January 1, 2026 ~~2024~~, and every two years thereafter, by the percentage  
8.6 change in the CPI-U from the date of the previous update to the data available ~~30~~ 12 months  
8.7 and one day prior to the scheduled update.

8.8 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
8.9 whichever is later. The commissioner of human services shall notify the revisor of statutes  
8.10 when federal approval is obtained.

8.11 Sec. 7. Minnesota Statutes 2022, section 256B.4914, subdivision 5c, is amended to read:

8.12 Subd. 5c. **Removal of after-framework adjustments.** Any rate adjustments applied to  
8.13 the service rates calculated under this section outside of the cost components and rate  
8.14 methodology specified in this section shall be removed from rate calculations upon  
8.15 implementation of the updates under subdivisions 5 ~~and~~, 5b, and 5f.

8.16 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
8.17 whichever is later. The commissioner of human services shall notify the revisor of statutes  
8.18 when federal approval is obtained.

8.19 Sec. 8. Minnesota Statutes 2022, section 256B.4914, subdivision 5d, is amended to read:

8.20 Subd. 5d. **Unavailable data for updates and adjustments.** If Bureau of Labor Statistics  
8.21 occupational codes or Consumer Price Index items specified in subdivision 5 ~~or~~, 5b, or 5f  
8.22 are unavailable in the future, the commissioner shall recommend to the legislature codes or  
8.23 items to update and replace.

8.24 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
8.25 whichever is later. The commissioner of human services shall notify the revisor of statutes  
8.26 when federal approval is obtained.

8.27 Sec. 9. Minnesota Statutes 2022, section 256B.4914, subdivision 5e, is amended to read:

8.28 Subd. 5e. **Inflationary update spending requirement.** (a) At least 80 percent of the  
8.29 marginal increase in revenue from the rate ~~adjustment applied to the service rates~~ adjustments  
8.30 calculated under subdivisions 5 and, 5b beginning on January 1, 2022, and 5f for services  
8.31 rendered between January 1, 2022, and March 31, 2024, on or after the day of implementation



9.1 of the adjustment must be used to increase compensation-related costs for employees directly  
9.2 employed by the program ~~on or after January 1, 2022.~~

9.3 (b) For the purposes of this subdivision, compensation-related costs include:

9.4 (1) wages and salaries;

9.5 (2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment  
9.6 taxes, workers' compensation, and mileage reimbursement;

9.7 (3) the employer's paid share of health and dental insurance, life insurance, disability  
9.8 insurance, long-term care insurance, uniform allowance, pensions, and contributions to  
9.9 employee retirement accounts; and

9.10 (4) benefits that address direct support professional workforce needs above and beyond  
9.11 what employees were offered prior to ~~January 1, 2022~~ implementation of the applicable  
9.12 rate adjustment, including retention and recruitment bonuses and tuition reimbursement.

9.13 (c) Compensation-related costs for persons employed in the central office of a corporation  
9.14 or entity that has an ownership interest in the provider or exercises control over the provider,  
9.15 or for persons paid by the provider under a management contract, do not count toward the  
9.16 80 percent requirement under this subdivision.

9.17 (d) A provider agency or individual provider that receives a rate subject to the  
9.18 requirements of this subdivision shall prepare, and upon request submit to the commissioner,  
9.19 a distribution plan that specifies the amount of money the provider expects to receive that  
9.20 is subject to the requirements of this subdivision, including how that money was or will be  
9.21 distributed to increase compensation-related costs for employees. Within 60 days of final  
9.22 implementation of a rate adjustment subject to the requirements of this subdivision, the  
9.23 provider must post the distribution plan and leave it posted for a period of at least six months  
9.24 in an area of the provider's operation to which all direct support professionals have access.  
9.25 The posted distribution plan must include instructions regarding how to contact the  
9.26 commissioner or commissioner's representative if an employee believes the employee has  
9.27 not received the compensation-related increase described in the plan.

9.28 ~~(e) This subdivision expires June 30, 2024.~~

9.29 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
9.30 whichever is later. The commissioner of human services shall notify the revisor of statutes  
9.31 when federal approval is obtained.

10.1 Sec. 10. Minnesota Statutes 2022, section 256B.4914, is amended by adding a subdivision  
10.2 to read:

10.3 Subd. 5f. **Competitive workforce factor adjustments.** (a) On January 1, 2024, and  
10.4 every two years thereafter, the commissioner shall update the competitive workforce factor  
10.5 to equal the differential between:

10.6 (1) the most recently available wage data by SOC code for the weighted average wage  
10.7 for direct care staff for residential support services and direct care staff for day programs;  
10.8 and

10.9 (2) the most recently available wage data by SOC code of the weighted average wage  
10.10 of comparable occupations.

10.11 (b) For each update of the competitive workforce factor, the update must not decrease  
10.12 the competitive workforce factor by more than 2.0. If the competitive workforce factor is  
10.13 less than or equal to zero, then the competitive workforce factor is zero.

10.14 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
10.15 whichever is later. The commissioner of human services shall notify the revisor of statutes  
10.16 when federal approval is obtained.

10.17 Sec. 11. Minnesota Statutes 2022, section 256B.4914, subdivision 8, is amended to read:

10.18 Subd. 8. **Unit-based services with programming; component values and calculation**  
10.19 **of payment rates.** (a) For the purpose of this section, unit-based services with programming  
10.20 include employment exploration services, employment development services, employment  
10.21 support services, individualized home supports with family training, individualized home  
10.22 supports with training, and positive support services provided to an individual outside of  
10.23 any service plan for a day program or residential support service.

10.24 (b) Component values for unit-based services with programming are:

10.25 (1) competitive workforce factor: 4.7 percent;

10.26 (2) supervisory span of control ratio: 11 percent;

10.27 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

10.28 (4) employee-related cost ratio: 23.6 percent;

10.29 (5) program plan support ratio: 15.5 percent;

10.30 (6) client programming and support ratio: 4.7 percent, updated as specified in subdivision  
10.31 5b;

- 11.1 (7) general administrative support ratio: 13.25 percent;
- 11.2 (8) program-related expense ratio: 6.1 percent; and
- 11.3 (9) absence and utilization factor ratio: 3.9 percent.
- 11.4 (c) A unit of service for unit-based services with programming is 15 minutes.
- 11.5 (d) Payments for unit-based services with programming must be calculated as follows,
- 11.6 unless the services are reimbursed separately as part of a residential support services or day
- 11.7 program payment rate:
- 11.8 (1) determine the number of units of service to meet a recipient's needs;
- 11.9 (2) determine the appropriate hourly staff wage rates derived by the commissioner as
- 11.10 provided in subdivisions 5 and 5a;
- 11.11 (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the
- 11.12 product of one plus the competitive workforce factor;
- 11.13 (4) for a recipient requiring customization for deaf and hard-of-hearing language
- 11.14 accessibility under subdivision 12, add the customization rate provided in subdivision 12
- 11.15 to the result of clause (3);
- 11.16 (5) multiply the number of direct staffing hours by the appropriate staff wage;
- 11.17 (6) multiply the number of direct staffing hours by the product of the supervisory span
- 11.18 of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);
- 11.19 (7) combine the results of clauses (5) and (6), and multiply the result by one plus the
- 11.20 employee vacation, sick, and training allowance ratio. This is defined as the direct staffing
- 11.21 rate;
- 11.22 (8) for program plan support, multiply the result of clause (7) by one plus the program
- 11.23 plan support ratio;
- 11.24 (9) for employee-related expenses, multiply the result of clause (8) by one plus the
- 11.25 employee-related cost ratio;
- 11.26 (10) for client programming and supports, multiply the result of clause (9) by one plus
- 11.27 the client programming and support ratio;
- 11.28 (11) this is the subtotal rate;
- 11.29 (12) sum the standard general administrative support ratio, the program-related expense
- 11.30 ratio, and the absence and utilization factor ratio;

12.1 (13) divide the result of clause (11) by one minus the result of clause (12). This is the  
12.2 total payment amount;

12.3 (14) for services provided in a shared manner, divide the total payment in clause (13)  
12.4 as follows:

12.5 (i) for employment exploration services, divide by the number of service recipients, not  
12.6 to exceed five;

12.7 (ii) for employment support services, divide by the number of service recipients, not to  
12.8 exceed six; and

12.9 (iii) for individualized home supports with training and individualized home supports  
12.10 with family training, divide by the number of service recipients, not to exceed ~~two~~ three;  
12.11 and

12.12 (15) adjust the result of clause (14) by a factor to be determined by the commissioner  
12.13 to adjust for regional differences in the cost of providing services.

12.14 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
12.15 whichever is later. The commissioner of human services shall notify the revisor of statutes  
12.16 when federal approval is obtained.

12.17 Sec. 12. Minnesota Statutes 2022, section 256B.4914, subdivision 9, is amended to read:

12.18 **Subd. 9. Unit-based services without programming; component values and**  
12.19 **calculation of payment rates.** (a) For the purposes of this section, unit-based services  
12.20 without programming include individualized home supports without training and night  
12.21 supervision provided to an individual outside of any service plan for a day program or  
12.22 residential support service. Unit-based services without programming do not include respite.

12.23 (b) Component values for unit-based services without programming are:

12.24 (1) competitive workforce factor: 4.7 percent;

12.25 (2) supervisory span of control ratio: 11 percent;

12.26 (3) employee vacation, sick, and training allowance ratio: 8.71 percent;

12.27 (4) employee-related cost ratio: 23.6 percent;

12.28 (5) program plan support ratio: 7.0 percent;

12.29 (6) client programming and support ratio: 2.3 percent, updated as specified in subdivision  
12.30 5b;

- 13.1 (7) general administrative support ratio: 13.25 percent;
- 13.2 (8) program-related expense ratio: 2.9 percent; and
- 13.3 (9) absence and utilization factor ratio: 3.9 percent.
- 13.4 (c) A unit of service for unit-based services without programming is 15 minutes.
- 13.5 (d) Payments for unit-based services without programming must be calculated as follows
- 13.6 unless the services are reimbursed separately as part of a residential support services or day
- 13.7 program payment rate:
- 13.8 (1) determine the number of units of service to meet a recipient's needs;
- 13.9 (2) determine the appropriate hourly staff wage rates derived by the commissioner as
- 13.10 provided in subdivisions 5 to 5a;
- 13.11 (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the
- 13.12 product of one plus the competitive workforce factor;
- 13.13 (4) for a recipient requiring customization for deaf and hard-of-hearing language
- 13.14 accessibility under subdivision 12, add the customization rate provided in subdivision 12
- 13.15 to the result of clause (3);
- 13.16 (5) multiply the number of direct staffing hours by the appropriate staff wage;
- 13.17 (6) multiply the number of direct staffing hours by the product of the supervisory span
- 13.18 of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);
- 13.19 (7) combine the results of clauses (5) and (6), and multiply the result by one plus the
- 13.20 employee vacation, sick, and training allowance ratio. This is defined as the direct staffing
- 13.21 rate;
- 13.22 (8) for program plan support, multiply the result of clause (7) by one plus the program
- 13.23 plan support ratio;
- 13.24 (9) for employee-related expenses, multiply the result of clause (8) by one plus the
- 13.25 employee-related cost ratio;
- 13.26 (10) for client programming and supports, multiply the result of clause (9) by one plus
- 13.27 the client programming and support ratio;
- 13.28 (11) this is the subtotal rate;
- 13.29 (12) sum the standard general administrative support ratio, the program-related expense
- 13.30 ratio, and the absence and utilization factor ratio;

14.1 (13) divide the result of clause (11) by one minus the result of clause (12). This is the  
14.2 total payment amount;

14.3 (14) for individualized home supports without training provided in a shared manner,  
14.4 divide the total payment amount in clause (13) by the number of service recipients, not to  
14.5 exceed ~~two~~ three; and

14.6 (15) adjust the result of clause (14) by a factor to be determined by the commissioner  
14.7 to adjust for regional differences in the cost of providing services.

14.8 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
14.9 whichever is later. The commissioner of human services shall notify the revisor of statutes  
14.10 when federal approval is obtained.

14.11 Sec. 13. Minnesota Statutes 2022, section 256B.4914, subdivision 10, is amended to read:

14.12 Subd. 10. **Evaluation of information and data.** (a) The commissioner shall, within  
14.13 available resources, conduct research and gather data and information from existing state  
14.14 systems or other outside sources on the following items:

14.15 (1) differences in the underlying cost to provide services and care across the state;

14.16 (2) mileage, vehicle type, lift requirements, incidents of individual and shared rides, and  
14.17 units of transportation for all day services, which must be collected from providers using  
14.18 the rate management worksheet and entered into the rates management system; and

14.19 (3) the distinct underlying costs for services provided by a license holder under sections  
14.20 245D.05, 245D.06, 245D.07, 245D.071, 245D.081, and 245D.09, and for services provided  
14.21 by a license holder certified under section 245D.33.

14.22 (b) The commissioner, in consultation with stakeholders, shall review and evaluate the  
14.23 following values already in subdivisions 6 to ~~9a~~ 9, or issues that impact all services, including,  
14.24 but not limited to:

14.25 (1) values for transportation rates;

14.26 (2) values for services where monitoring technology replaces staff time;

14.27 (3) values for indirect services;

14.28 (4) values for nursing;

14.29 (5) values for the facility use rate in day services, and the weightings used in the day  
14.30 service ratios and adjustments to those weightings;

14.31 (6) values for workers' compensation as part of employee-related expenses;

- 15.1 (7) values for unemployment insurance as part of employee-related expenses;
- 15.2 (8) direct care workforce labor market measures;
- 15.3 (9) any changes in state or federal law with a direct impact on the underlying cost of
- 15.4 providing home and community-based services;
- 15.5 (10) outcome measures, determined by the commissioner, for home and community-based
- 15.6 services rates determined under this section; and
- 15.7 (11) different competitive workforce factors by service, as determined under subdivision
- 15.8 10b.

15.9 (c) The commissioner shall report to the chairs and the ranking minority members of

15.10 the legislative committees and divisions with jurisdiction over health and human services

15.11 policy and finance with the information and data gathered under paragraphs (a) and (b) on

15.12 January 15, 2021, with a full report, and a full report once every four years thereafter.

15.13 (d) Beginning July 1, 2022, the commissioner shall renew analysis and implement

15.14 changes to the regional adjustment factors once every six years. Prior to implementation,

15.15 the commissioner shall consult with stakeholders on the methodology to calculate the

15.16 adjustment.

15.17 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,

15.18 whichever is later. The commissioner of human services shall notify the revisor of statutes

15.19 when federal approval is obtained.

15.20 Sec. 14. Minnesota Statutes 2022, section 256B.4914, subdivision 10a, is amended to

15.21 read:

15.22 Subd. 10a. **Reporting and analysis of cost data.** (a) The commissioner must ensure

15.23 that wage values and component values in subdivisions 5 to ~~9a~~ 9 reflect the cost to provide

15.24 the service. As determined by the commissioner, in consultation with stakeholders identified

15.25 in subdivision 17, a provider enrolled to provide services with rates determined under this

15.26 section must submit requested cost data to the commissioner to support research on the cost

15.27 of providing services that have rates determined by the disability waiver rates system.

15.28 Requested cost data may include, but is not limited to:

- 15.29 (1) worker wage costs;
- 15.30 (2) benefits paid;
- 15.31 (3) supervisor wage costs;

- 16.1 (4) executive wage costs;
- 16.2 (5) vacation, sick, and training time paid;
- 16.3 (6) taxes, workers' compensation, and unemployment insurance costs paid;
- 16.4 (7) administrative costs paid;
- 16.5 (8) program costs paid;
- 16.6 (9) transportation costs paid;
- 16.7 (10) vacancy rates; and
- 16.8 (11) other data relating to costs required to provide services requested by the
- 16.9 commissioner.

16.10 (b) At least once in any five-year period, a provider must submit cost data for a fiscal

16.11 year that ended not more than 18 months prior to the submission date. The commissioner

16.12 shall provide each provider a 90-day notice prior to its submission due date. If a provider

16.13 fails to submit required reporting data, the commissioner shall provide notice to providers

16.14 that have not provided required data 30 days after the required submission date, and a second

16.15 notice for providers who have not provided required data 60 days after the required

16.16 submission date. The commissioner shall temporarily suspend payments to the provider if

16.17 cost data is not received 90 days after the required submission date. Withheld payments

16.18 shall be made once data is received by the commissioner.

16.19 (c) The commissioner shall conduct a random validation of data submitted under

16.20 paragraph (a) to ensure data accuracy.

16.21 (d) The commissioner shall analyze cost data submitted under paragraph (a) and, in

16.22 consultation with stakeholders identified in subdivision 17, may submit recommendations

16.23 on component values and inflationary factor adjustments to the chairs and ranking minority

16.24 members of the legislative committees with jurisdiction over human services once every

16.25 four years beginning January 1, 2021. The commissioner shall make recommendations in

16.26 conjunction with reports submitted to the legislature according to subdivision 10, paragraph

16.27 (c).

16.28 (e) The commissioner shall release cost data in an aggregate form, and cost data from

16.29 individual providers shall not be released except as provided for in current law.

16.30 (f) The commissioner, in consultation with stakeholders identified in subdivision 17,

16.31 shall develop and implement a process for providing training and technical assistance



17.1 necessary to support provider submission of cost documentation required under paragraph  
17.2 (a).

17.3 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
17.4 whichever is later. The commissioner of human services shall notify the revisor of statutes  
17.5 when federal approval is obtained.

17.6 Sec. 15. Minnesota Statutes 2022, section 256B.4914, subdivision 10c, is amended to  
17.7 read:

17.8 Subd. 10c. **Reporting and analysis of competitive workforce factor.** (a) Beginning  
17.9 February 1, ~~2024~~ 2025, and every two years thereafter, the commissioner shall report to the  
17.10 chairs and ranking minority members of the legislative committees and divisions with  
17.11 jurisdiction over health and human services policy and finance an analysis of the competitive  
17.12 workforce factor.

17.13 (b) The report must include ~~recommendations to update the competitive workforce factor~~  
17.14 ~~using:~~

17.15 (1) the most recently available wage data by SOC code for the weighted average wage  
17.16 for direct care staff for residential services and direct care staff for day services;

17.17 (2) the most recently available wage data by SOC code of the weighted average wage  
17.18 of comparable occupations; and

17.19 (3) workforce data as required under subdivision 10b.

17.20 (c) ~~The commissioner shall not recommend an increase or decrease of the competitive~~  
17.21 ~~workforce factor from the current value by more than two percentage points. If, after a~~  
17.22 ~~biennial analysis for the next report, the competitive workforce factor is less than or equal~~  
17.23 ~~to zero, the commissioner shall recommend a competitive workforce factor of zero. This~~  
17.24 subdivision expires upon submission of the calendar year 2030 report.

17.25 **EFFECTIVE DATE.** This section is effective July 1, 2023.

17.26 Sec. 16. Minnesota Statutes 2022, section 256B.4914, subdivision 12, is amended to read:

17.27 Subd. 12. **Customization of rates for individuals.** (a) For persons determined to have  
17.28 higher needs based on being deaf or hard-of-hearing, the direct-care costs must be increased  
17.29 by an adjustment factor prior to calculating the rate under subdivisions 6 to ~~9a~~ 9. The  
17.30 customization rate with respect to deaf or hard-of-hearing persons shall be \$2.50 per hour  
17.31 for waiver recipients who meet the respective criteria as determined by the commissioner.

18.1 (b) For the purposes of this section, "deaf and hard-of-hearing" means:

18.2 (1) the person has a developmental disability and:

18.3 (i) an assessment score which indicates a hearing impairment that is severe or that the  
18.4 person has no useful hearing;

18.5 (ii) an expressive communications score that indicates the person uses single signs or  
18.6 gestures, uses an augmentative communication aid, or does not have functional  
18.7 communication, or the person's expressive communications is unknown; and

18.8 (iii) a communication score which indicates the person comprehends signs, gestures,  
18.9 and modeling prompts or does not comprehend verbal, visual, or gestural communication,  
18.10 or that the person's receptive communication score is unknown; or

18.11 (2) the person receives long-term care services and has an assessment score that indicates  
18.12 the person hears only very loud sounds, the person has no useful hearing, or a determination  
18.13 cannot be made; and the person receives long-term care services and has an assessment that  
18.14 indicates the person communicates needs with sign language, symbol board, written  
18.15 messages, gestures, or an interpreter; communicates with inappropriate content, makes  
18.16 garbled sounds or displays echolalia, or does not communicate needs.

18.17 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
18.18 whichever is later. The commissioner of human services shall notify the revisor of statutes  
18.19 when federal approval is obtained.

18.20 Sec. 17. Minnesota Statutes 2022, section 256B.4914, subdivision 14, is amended to read:

18.21 Subd. 14. **Exceptions.** (a) In a format prescribed by the commissioner, lead agencies  
18.22 must identify individuals with exceptional needs that cannot be met under the disability  
18.23 waiver rate system. The commissioner shall use that information to evaluate and, if necessary,  
18.24 approve an alternative payment rate for those individuals. Whether granted, denied, or  
18.25 modified, the commissioner shall respond to all exception requests in writing. The  
18.26 commissioner shall include in the written response the basis for the action and provide  
18.27 notification of the right to appeal under paragraph (h).

18.28 (b) Lead agencies must act on an exception request within 30 days and notify the initiator  
18.29 of the request of their recommendation in writing. A lead agency shall submit all exception  
18.30 requests along with its recommendation to the commissioner.

18.31 (c) An application for a rate exception may be submitted for the following criteria:

18.32 (1) an individual has service needs that cannot be met through additional units of service;

19.1 (2) an individual's rate determined under subdivisions 6 to ~~9a~~ 9 is so insufficient that it  
19.2 has resulted in an individual receiving a notice of discharge from the individual's provider;  
19.3 or

19.4 (3) an individual's service needs, including behavioral changes, require a level of service  
19.5 which necessitates a change in provider or which requires the current provider to propose  
19.6 service changes beyond those currently authorized.

19.7 (d) Exception requests must include the following information:

19.8 (1) the service needs required by each individual that are not accounted for in subdivisions  
19.9 6 to ~~9a~~ 9;

19.10 (2) the service rate requested and the difference from the rate determined in subdivisions  
19.11 6 to ~~9a~~ 9;

19.12 (3) a basis for the underlying costs used for the rate exception and any accompanying  
19.13 documentation; and

19.14 (4) any contingencies for approval.

19.15 (e) Approved rate exceptions shall be managed within lead agency allocations under  
19.16 sections 256B.092 and 256B.49.

19.17 (f) Individual disability waiver recipients, an interested party, or the license holder that  
19.18 would receive the rate exception increase may request that a lead agency submit an exception  
19.19 request. A lead agency that denies such a request shall notify the individual waiver recipient,  
19.20 interested party, or license holder of its decision and the reasons for denying the request in  
19.21 writing no later than 30 days after the request has been made and shall submit its denial to  
19.22 the commissioner in accordance with paragraph (b). The reasons for the denial must be  
19.23 based on the failure to meet the criteria in paragraph (c).

19.24 (g) The commissioner shall determine whether to approve or deny an exception request  
19.25 no more than 30 days after receiving the request. If the commissioner denies the request,  
19.26 the commissioner shall notify the lead agency and the individual disability waiver recipient,  
19.27 the interested party, and the license holder in writing of the reasons for the denial.

19.28 (h) The individual disability waiver recipient may appeal any denial of an exception  
19.29 request by either the lead agency or the commissioner, pursuant to sections 256.045 and  
19.30 256.0451. When the denial of an exception request results in the proposed demission of a  
19.31 waiver recipient from a residential or day habilitation program, the commissioner shall issue  
19.32 a temporary stay of demission, when requested by the disability waiver recipient, consistent  
19.33 with the provisions of section 256.045, subdivisions 4a and 6, paragraph (c). The temporary

20.1 stay shall remain in effect until the lead agency can provide an informed choice of  
 20.2 appropriate, alternative services to the disability waiver.

20.3 (i) Providers may petition lead agencies to update values that were entered incorrectly  
 20.4 or erroneously into the rate management system, based on past service level discussions  
 20.5 and determination in subdivision 4, without applying for a rate exception.

20.6 (j) The starting date for the rate exception will be the later of the date of the recipient's  
 20.7 change in support or the date of the request to the lead agency for an exception.

20.8 (k) The commissioner shall track all exception requests received and their dispositions.  
 20.9 The commissioner shall issue quarterly public exceptions statistical reports, including the  
 20.10 number of exception requests received and the numbers granted, denied, withdrawn, and  
 20.11 pending. The report shall include the average amount of time required to process exceptions.

20.12 (l) Approved rate exceptions remain in effect in all cases until an individual's needs  
 20.13 change as defined in paragraph (c).

20.14 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
 20.15 whichever is later. The commissioner of human services shall notify the revisor of statutes  
 20.16 when federal approval is obtained.

20.17 Sec. 18. Minnesota Statutes 2022, section 256S.2101, subdivision 1, is amended to read:

20.18 Subdivision 1. **Phase-in for disability waiver customized living rates.** All rates and  
 20.19 rate components for community access for disability inclusion customized living and brain  
 20.20 injury customized living under section 256B.4914 ~~shall~~ must be the sum of ~~ten~~ 21.6 percent  
 20.21 of the rates calculated under sections 256S.211 to 256S.215 and ~~90~~ 78.4 percent of the rates  
 20.22 calculated using the rate methodology in effect as of June 30, 2017.

20.23 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
 20.24 whichever is later. The commissioner of human services shall notify the revisor of statutes  
 20.25 when federal approval is obtained.

20.26 Sec. 19. **DIRECTION TO COMMISSIONER; DISABILITY WAIVER SHARED**  
 20.27 **SERVICES RATES.**

20.28 The commissioner of human services shall establish a rate system for shared homemaker  
 20.29 services and shared chore services provided under Minnesota Statutes, sections 256B.092  
 20.30 and 256B.49. For two persons sharing services, the rate paid to a provider must not exceed  
 20.31 1-1/2 times the rate paid for serving a single individual, and for three persons sharing  
 20.32 services, the rate paid to a provider must not exceed two times the rate paid for serving a

21.1 single individual. These rates apply only when all of the criteria for the shared service have  
 21.2 been met.

21.3 Sec. 20. **DIRECTION TO COMMISSIONER; SHARED SERVICES.**

21.4 (a) By December 1, 2023, the commissioner of human services shall seek any necessary  
 21.5 changes to home and community-based services waiver plans regarding sharing services in  
 21.6 order to:

21.7 (1) permit shared services for additional services, including chore, homemaker, and  
 21.8 night supervision;

21.9 (2) permit existing shared services at higher ratios, including individualized home  
 21.10 supports without training, individualized home supports with training, and individualized  
 21.11 home supports with family training at a ratio of one staff person to three recipients;

21.12 (3) ensure that individuals who are seeking to share services permitted under the waiver  
 21.13 plans in an own-home setting are not required to live in a licensed setting in order to share  
 21.14 services so long as all other requirements are met; and

21.15 (4) issue guidance for shared services, including:

21.16 (i) informed choice for all individuals sharing the services;

21.17 (ii) guidance for when multiple shared services by different providers occur in one home  
 21.18 and how lead agencies and individuals shall determine that shared service is appropriate to  
 21.19 meet the needs, health, and safety of each individual for whom the lead agency provides  
 21.20 case management or care coordination; and

21.21 (iii) guidance clarifying that an individual's decision to share services does not reduce  
 21.22 any determination of the individual's overall or assessed needs for services.

21.23 (b) The commissioner shall develop or provide guidance outlining:

21.24 (1) instructions for shared services support planning;

21.25 (2) person-centered approaches and informed choice in shared services support planning;  
 21.26 and

21.27 (3) required contents of shared services agreements.

21.28 (c) The commissioner shall seek and utilize stakeholder input for any proposed changes  
 21.29 to waiver plans and any shared services guidance.

22.1 **Sec. 21. DIRECTION TO COMMISSIONER; LIFE-SHARING SERVICES.**

22.2 **Subdivision 1. Recommendations required.** The commissioner of human services shall  
22.3 develop recommendations for establishing life sharing as a covered medical assistance  
22.4 waiver service.

22.5 **Subd. 2. Definition.** For the purposes of this section, "life sharing" means a  
22.6 relationship-based living arrangement between an adult with a disability and an individual  
22.7 or family in which they share their lives and experiences while the adult with a disability  
22.8 receives support from the individual or family using person-centered practices.

22.9 **Subd. 3. Stakeholder engagement and consultation.** (a) The commissioner must  
22.10 proactively solicit participation in the development of the life-sharing medical assistance  
22.11 service through a robust stakeholder engagement process that results in the inclusion of a  
22.12 racially, culturally, and geographically diverse group of interested stakeholders from each  
22.13 of the following groups:

- 22.14 (1) providers currently providing or interested in providing life-sharing services;  
22.15 (2) people with disabilities accessing or interested in accessing life-sharing services;  
22.16 (3) disability advocacy organizations; and  
22.17 (4) lead agencies.

22.18 **(b) The commissioner must proactively seek input into and assistance with the**  
22.19 **development of recommendations for establishing the life-sharing service from interested**  
22.20 **stakeholders.**

22.21 **(c) The commissioner must provide a method for the commissioner and interested**  
22.22 **stakeholders to cofacilitate public meetings. The first meeting must occur before January**  
22.23 **31, 2023. The commissioner must host the cofacilitated meetings at least monthly through**  
22.24 **December 31, 2023. All meetings must be accessible to all interested stakeholders, recorded,**  
22.25 **and posted online within one week of the meeting date.**

22.26 **Subd. 4. Required topics to be discussed during development of the**  
22.27 **recommendations.** The commissioner and the interested stakeholders must discuss the  
22.28 following topics:

- 22.29 (1) the distinction between life sharing and adult family foster care;  
22.30 (2) successful life-sharing models used in other states;  
22.31 (3) services and supports that could be included in a life-sharing service;

- 23.1 (4) potential barriers to providing or accessing life-sharing services;  
 23.2 (5) solutions to remove identified barriers to providing or accessing life-sharing services;  
 23.3 (6) potential medical assistance payment methodologies for life-sharing services;  
 23.4 (7) expanding awareness of the life-sharing model; and  
 23.5 (8) draft language for legislation necessary to define and implement life-sharing services.

23.6 Subd. 5. **Report to the legislature.** By December 31, 2024, the commissioner must  
 23.7 provide to the chairs and ranking minority members of the house of representatives and  
 23.8 senate committees and divisions with jurisdiction over direct care services a report  
 23.9 summarizing the discussions between the commissioner and the interested stakeholders and  
 23.10 the commissioner's recommendations. The report must also include any draft legislation  
 23.11 necessary to define and implement life-sharing services.

23.12 **Sec. 22. REPEALER.**

23.13 Minnesota Statutes 2022, section 256B.4914, subdivision 9a, is repealed.

23.14 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
 23.15 whichever is later. The commissioner of human services shall notify the revisor of statutes  
 23.16 when federal approval is obtained.

### ARTICLE 3

#### ELDERLY WAIVER

23.19 Section 1. Minnesota Statutes 2022, section 256B.0913, subdivision 4, is amended to read:

23.20 Subd. 4. **Eligibility for funding for services for nonmedical assistance recipients.** (a)  
 23.21 Funding for services under the alternative care program is available to persons who meet  
 23.22 the following criteria:

23.23 (1) the person is a citizen of the United States or a United States national;

23.24 (2) the person has been determined by a community assessment under section 256B.0911  
 23.25 to be a person who would require the level of care provided in a nursing facility, as  
 23.26 determined under section 256B.0911, subdivision 26, but for the provision of services under  
 23.27 the alternative care program;

23.28 (3) the person is age 65 or older;

23.29 (4) the person would be eligible for medical assistance within 135 days of admission to  
 23.30 a nursing facility;

24.1 (5) the person is not ineligible for the payment of long-term care services by the medical  
24.2 assistance program due to an asset transfer penalty under section 256B.0595 or equity  
24.3 interest in the home exceeding \$500,000 as stated in section 256B.056;

24.4 (6) the person needs long-term care services that are not funded through other state or  
24.5 federal funding, or other health insurance or other third-party insurance such as long-term  
24.6 care insurance;

24.7 (7) except for individuals described in clause (8), the monthly cost of the alternative  
24.8 care services funded by the program for this person does not exceed 75 percent of the  
24.9 monthly limit described under section 256S.18. This monthly limit does not prohibit the  
24.10 alternative care client from payment for additional services, but in no case may the cost of  
24.11 additional services purchased under this section exceed the difference between the client's  
24.12 monthly service limit defined under section 256S.04, and the alternative care program  
24.13 monthly service limit defined in this paragraph. If care-related supplies and equipment or  
24.14 environmental modifications and adaptations are or will be purchased for an alternative  
24.15 care services recipient, the costs may be prorated on a monthly basis for up to 12 consecutive  
24.16 months beginning with the month of purchase. If the monthly cost of a recipient's other  
24.17 alternative care services exceeds the monthly limit established in this paragraph, the annual  
24.18 cost of the alternative care services ~~shall~~ must be determined. In this event, the annual cost  
24.19 of alternative care services ~~shall~~ must not exceed 12 times the monthly limit described in  
24.20 this paragraph;

24.21 (8) for individuals assigned a case mix classification A as described under section  
24.22 256S.18, with (i) no dependencies in activities of daily living, or (ii) up to two dependencies  
24.23 in bathing, dressing, grooming, walking, and eating when the dependency score in eating  
24.24 is three or greater as determined by an assessment performed under section 256B.0911, the  
24.25 monthly cost of alternative care services funded by the program cannot exceed \$593 per  
24.26 month for all new participants enrolled in the program on or after July 1, 2011. This monthly  
24.27 limit shall be applied to all other participants who meet this criteria at reassessment. This  
24.28 monthly limit ~~shall~~ must be increased annually as described in section 256S.18. This monthly  
24.29 limit does not prohibit the alternative care client from payment for additional services, but  
24.30 in no case may the cost of additional services purchased exceed the difference between the  
24.31 client's monthly service limit defined in this clause and the limit described in clause (7) for  
24.32 case mix classification A; ~~and~~

24.33 (9) the person is making timely payments of the assessed monthly fee; and



25.1 (10) for a person participating in consumer-directed community supports, the person's  
25.2 monthly service limit must be equal to the monthly service limits in clause (7), except that  
25.3 a person assigned a case mix classification L must receive the monthly service limit for  
25.4 case mix classification A.

25.5 A person is ineligible if payment of the fee is over 60 days past due, unless the person  
25.6 agrees to:

25.7 (i) the appointment of a representative payee;

25.8 (ii) automatic payment from a financial account;

25.9 (iii) the establishment of greater family involvement in the financial management of  
25.10 payments; or

25.11 (iv) another method acceptable to the lead agency to ensure prompt fee payments.

25.12 (b) The lead agency may extend the client's eligibility as necessary while making  
25.13 arrangements to facilitate payment of past-due amounts and future premium payments.

25.14 Following disenrollment due to nonpayment of a monthly fee, eligibility ~~shall~~ must not be  
25.15 reinstated for a period of 30 days.

25.16 (c) Alternative care funding under this subdivision is not available for a person who is  
25.17 a medical assistance recipient or who would be eligible for medical assistance without a  
25.18 spenddown or waiver obligation. A person whose initial application for medical assistance  
25.19 and the elderly waiver program is being processed may be served under the alternative care  
25.20 program for a period up to 60 days. If the individual is found to be eligible for medical  
25.21 assistance, medical assistance must be billed for services payable under the federally  
25.22 approved elderly waiver plan and delivered from the date the individual was found eligible  
25.23 for the federally approved elderly waiver plan. Notwithstanding this provision, alternative  
25.24 care funds may not be used to pay for any service the cost of which: (i) is payable by medical  
25.25 assistance; (ii) is used by a recipient to meet a waiver obligation; or (iii) is used to pay a  
25.26 medical assistance income spenddown for a person who is eligible to participate in the  
25.27 federally approved elderly waiver program under the special income standard provision.

25.28 (d) Alternative care funding is not available for a person who resides in a licensed nursing  
25.29 home, certified boarding care home, hospital, or intermediate care facility, except for case  
25.30 management services which are provided in support of the discharge planning process for  
25.31 a nursing home resident or certified boarding care home resident to assist with a relocation  
25.32 process to a community-based setting.

26.1 (e) Alternative care funding is not available for a person whose income is greater than  
26.2 the maintenance needs allowance under section 256S.05, but equal to or less than 120 percent  
26.3 of the federal poverty guideline effective July 1 in the fiscal year for which alternative care  
26.4 eligibility is determined, who would be eligible for the elderly waiver with a waiver  
26.5 obligation.

26.6 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
26.7 whichever is later. The commissioner of human services shall notify the revisor of statutes  
26.8 when federal approval is obtained.

26.9 Sec. 2. Minnesota Statutes 2022, section 256B.0913, subdivision 5, is amended to read:

26.10 Subd. 5. **Services covered under alternative care.** Alternative care funding may be  
26.11 used for payment of costs of:

26.12 (1) adult day services and adult day services bath;

26.13 (2) home care;

26.14 (3) homemaker services;

26.15 (4) personal care;

26.16 (5) case management and conversion case management;

26.17 (6) respite care;

26.18 (7) specialized supplies and equipment;

26.19 (8) home-delivered meals;

26.20 (9) nonmedical transportation;

26.21 (10) nursing services;

26.22 (11) chore services;

26.23 (12) companion services;

26.24 (13) nutrition services;

26.25 (14) family caregiver training and education;

26.26 (15) coaching and counseling;

26.27 (16) telehome care to provide services in their own homes in conjunction with in-home  
26.28 visits;

27.1 (17) consumer-directed community supports ~~under the alternative care programs which~~  
 27.2 ~~are available statewide and limited to the average monthly expenditures representative of~~  
 27.3 ~~all alternative care program participants for the same case mix resident class assigned in~~  
 27.4 ~~the most recent fiscal year for which complete expenditure data is available;~~

27.5 (18) environmental accessibility and adaptations; and

27.6 (19) discretionary services, for which lead agencies may make payment from their  
 27.7 alternative care program allocation for services not otherwise defined in this section or  
 27.8 section 256B.0625, following approval by the commissioner.

27.9 Total annual payments for discretionary services for all clients served by a lead agency  
 27.10 must not exceed 25 percent of that lead agency's annual alternative care program base  
 27.11 allocation, except that when alternative care services receive federal financial participation  
 27.12 under the 1115 waiver demonstration, funding shall be allocated in accordance with  
 27.13 subdivision 17.

27.14 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
 27.15 whichever is later. The commissioner of human services shall notify the revisor of statutes  
 27.16 when federal approval is obtained.

27.17 Sec. 3. Minnesota Statutes 2022, section 256S.15, subdivision 2, is amended to read:

27.18 Subd. 2. **Foster care limit.** The elderly waiver payment for the foster care service in  
 27.19 combination with the payment for all other elderly waiver services, including case  
 27.20 management, must not exceed the monthly case mix budget cap for the participant as  
 27.21 specified in sections 256S.18, subdivision 3, and 256S.19, ~~subdivisions~~ subdivision 3 and  
 27.22 4.

27.23 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
 27.24 whichever is later. The commissioner of human services shall notify the revisor of statutes  
 27.25 when federal approval is obtained.

27.26 Sec. 4. Minnesota Statutes 2022, section 256S.18, is amended by adding a subdivision to  
 27.27 read:

27.28 Subd. 3a. **Monthly case mix budget caps for consumer-directed community**  
 27.29 **supports.** The monthly case mix budget caps for each case mix classification for  
 27.30 consumer-directed community supports must be equal to the monthly case mix budget caps  
 27.31 in subdivision 3.

27.32 **EFFECTIVE DATE.** This section is effective January 1, 2024.

28.1 Sec. 5. Minnesota Statutes 2022, section 256S.19, subdivision 3, is amended to read:

28.2 Subd. 3. **Calculation of monthly conversion budget cap without consumer-directed**  
 28.3 **community supports caps.** (a) The elderly waiver monthly conversion budget cap for the  
 28.4 cost of elderly waiver services ~~without consumer-directed community supports~~ must be  
 28.5 based on the nursing facility case mix adjusted total payment rate of the nursing facility  
 28.6 where the elderly waiver applicant currently resides for the applicant's case mix classification  
 28.7 as determined according to section 256R.17.

28.8 (b) The elderly waiver monthly conversion budget cap for the cost of elderly waiver  
 28.9 services ~~without consumer-directed community supports shall~~ must be calculated by  
 28.10 multiplying the applicable nursing facility case mix adjusted total payment rate by 365,  
 28.11 dividing by 12, and subtracting the participant's maintenance needs allowance.

28.12 (c) A participant's initially approved monthly conversion budget cap for elderly waiver  
 28.13 services ~~without consumer-directed community supports shall~~ must be adjusted at least  
 28.14 annually as described in section 256S.18, subdivision 5.

28.15 (d) Conversion budget caps for individuals participating in consumer-directed community  
 28.16 supports must also be set as described in paragraphs (a) to (c).

28.17 **EFFECTIVE DATE.** This section is effective January 1, 2024.

28.18 Sec. 6. Minnesota Statutes 2022, section 256S.205, subdivision 3, is amended to read:

28.19 Subd. 3. **Rate adjustment eligibility criteria.** Only facilities satisfying all of the  
 28.20 following conditions on September 1 of the application year are eligible for designation as  
 28.21 a disproportionate share facility:

28.22 (1) at least ~~83.5~~ 80 percent of the residents of the facility are customized living residents;  
 28.23 and

28.24 (2) at least ~~70~~ 50 percent of the customized living residents are elderly waiver participants.

28.25 **EFFECTIVE DATE.** This section is effective July 1, 2023, or upon federal approval,  
 28.26 whichever is later. The commissioner of human services shall notify the revisor of statutes  
 28.27 when federal approval is obtained.

28.28 Sec. 7. Minnesota Statutes 2022, section 256S.205, subdivision 5, is amended to read:

28.29 Subd. 5. **Rate adjustment; rate floor.** (a) Notwithstanding the 24-hour customized  
 28.30 living monthly service rate limits under section 256S.202, subdivision 2, and the component  
 28.31 service rates established under section 256S.201, subdivision 4, the commissioner must

29.1 establish a rate floor equal to ~~\$119~~ \$139 per resident per day for 24-hour customized living  
 29.2 services provided to an elderly waiver participant in a designated disproportionate share  
 29.3 facility.

29.4 (b) The commissioner must apply the rate floor to the services described in paragraph  
 29.5 (a) provided during the rate year.

29.6 (c) The commissioner must adjust the rate floor by the same amount and at the same  
 29.7 time as any adjustment to the 24-hour customized living monthly service rate limits under  
 29.8 section 256S.202, subdivision 2.

29.9 (d) The commissioner shall not implement the rate floor under this section if the  
 29.10 customized living rates established under sections 256S.21 to 256S.215 will be implemented  
 29.11 at 100 percent on January 1 of the year following an application year.

29.12 **EFFECTIVE DATE.** This section is effective July 1, 2023, or upon federal approval,  
 29.13 whichever is later. The commissioner of human services shall notify the revisor of statutes  
 29.14 when federal approval is obtained.

29.15 Sec. 8. Minnesota Statutes 2022, section 256S.2101, subdivision 2, is amended to read:

29.16 Subd. 2. **Phase-in for elderly waiver rates.** Except for ~~home-delivered meals as~~  
 29.17 ~~described in section 256S.215, subdivision 15~~ the services in subdivisions 4 and 5, all rates  
 29.18 and rate components for elderly waiver, elderly waiver customized living, and elderly waiver  
 29.19 foster care under this chapter; alternative care under section 256B.0913; and essential  
 29.20 community supports under section 256B.0922 ~~shall~~ must be the sum of ~~18.8~~ 21.6 percent  
 29.21 of the rates calculated under sections 256S.211 to 256S.215, and ~~81.2~~ 78.4 percent of the  
 29.22 rates calculated using the rate methodology in effect as of June 30, 2017. ~~The rate for~~  
 29.23 ~~home-delivered meals shall be the sum of the service rate in effect as of January 1, 2019,~~  
 29.24 ~~and the increases described in section 256S.215, subdivision 15.~~

29.25 **EFFECTIVE DATE.** This section is effective January 1, 2024.

29.26 Sec. 9. Minnesota Statutes 2022, section 256S.2101, is amended by adding a subdivision  
 29.27 to read:

29.28 **Subd. 3. Spending requirements.** (a) At least 80 percent of the marginal increase in  
 29.29 revenue from the implementation of any adjustments to a phase-in proportion under this  
 29.30 section, or any adjustments to the base wage indices under section 256S.212, for services  
 29.31 rendered on or after the day of implementation of the modified phase-in proportion or

30.1 applicable adjustment to the base wage indices must be used to increase compensation-related  
30.2 costs for employees directly employed by the provider.

30.3 (b) For the purposes of this subdivision, compensation-related costs include:

30.4 (1) wages and salaries;

30.5 (2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment  
30.6 taxes, workers' compensation, and mileage reimbursement;

30.7 (3) the employer's paid share of health and dental insurance, life insurance, disability  
30.8 insurance, long-term care insurance, uniform allowance, pensions, and contributions to  
30.9 employee retirement accounts; and

30.10 (4) benefits that address direct support professional workforce needs above and beyond  
30.11 what employees were offered prior to the implementation of adjusted phase-in proportions  
30.12 under this section, including any concurrent or subsequent adjustments to the base wage  
30.13 indices.

30.14 (c) Compensation-related costs for persons employed in the central office of a corporation  
30.15 or entity that has an ownership interest in the provider or exercises control over the provider,  
30.16 or for persons paid by the provider under a management contract, do not count toward the  
30.17 80 percent requirement under this subdivision.

30.18 (d) A provider agency or individual provider that receives additional revenue subject to  
30.19 the requirements of this subdivision shall prepare, and upon request submit to the  
30.20 commissioner, a distribution plan that specifies the amount of money the provider expects  
30.21 to receive that is subject to the requirements of this subdivision, including how that money  
30.22 was or will be distributed to increase compensation-related costs for employees. Within 60  
30.23 days of final implementation of the new phase-in proportion or adjustment to the base wage  
30.24 indices subject to the requirements of this subdivision, the provider must post the distribution  
30.25 plan and leave it posted for a period of at least six months in an area of the provider's  
30.26 operation to which all direct support professionals have access. The posted distribution plan  
30.27 must include instructions regarding how to contact the commissioner, or the commissioner's  
30.28 representative, if an employee has not received the compensation-related increase described  
30.29 in the plan.

30.30 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
30.31 whichever is later. The commissioner of human services shall notify the revisor of statutes  
30.32 when federal approval is obtained.

31.1 Sec. 10. Minnesota Statutes 2022, section 256S.2101, is amended by adding a subdivision  
31.2 to read:

31.3 Subd. 4. **Phase-in for home-delivered meals rate.** The home-delivered meals rate for  
31.4 the elderly waiver under this chapter; alternative care under section 256B.0913; and essential  
31.5 community supports under section 256B.0922 must be the sum of 65 percent of the rate in  
31.6 section 256S.215, subdivision 15, and 35 percent of the rate calculated using the rate  
31.7 methodology in effect as of June 30, 2017.

31.8 **EFFECTIVE DATE.** This section is effective January 1, 2024.

31.9 Sec. 11. Minnesota Statutes 2022, section 256S.2101, is amended by adding a subdivision  
31.10 to read:

31.11 Subd. 5. **Service rates exempt from phase-in.** Subdivision 2 does not apply to rates  
31.12 for homemaker services described in section 256S.215, subdivisions 9 to 11.

31.13 **EFFECTIVE DATE.** This section is effective January 1, 2024.

31.14 Sec. 12. Minnesota Statutes 2022, section 256S.212, is amended to read:

31.15 **256S.212 RATE SETTING; BASE WAGE INDEX.**

31.16 Subdivision 1. **Updating SOC codes.** If any of the SOC codes and positions used in  
31.17 this section are no longer available, the commissioner shall, in consultation with stakeholders,  
31.18 select a new SOC code and position that is the closest match to the previously used SOC  
31.19 position.

31.20 Subd. 1a. **Updating base wages.** (a) On January 1, 2024, and every two years thereafter,  
31.21 the commissioner must update the base wages for the services listed in paragraph (b) based  
31.22 on the most recently available Bureau of Labor Statistics Minneapolis-St. Paul-Bloomington,  
31.23 MN-WI MetroSA data. Any marginal increase in revenue from implementation of any  
31.24 adjustment to base wages under this section, including any modifications to SOC codes or  
31.25 positions, is subject to the spending requirements under section 256S.2101, subdivision 3.

31.26 (b) This subdivision applies to:

31.27 (1) the homemaker services and assistance with personal care base wage under subdivision  
31.28 8;

31.29 (2) the homemaker services and cleaning base wage under subdivision 9;

31.30 (3) the homemaker services and home management base wage under subdivision 10;

31.31 and

32.1 (4) for the purposes of calculating the unlicensed supervisor supervision wage component  
 32.2 used to calculate the homemaker services rates under section 256S.215, subdivisions 9 to  
 32.3 11, the unlicensed supervisor base wage under subdivision 15.

32.4 Subd. 2. **Home management and support services base wage.** For customized living,  
 32.5 and foster care, and residential care component services, the home management and support  
 32.6 services base wage equals 33.33 percent of the Minneapolis-St. Paul-Bloomington, MN-WI  
 32.7 MetroSA average wage for home health and personal and home care aide aides (SOC code  
 32.8 ~~39-9021~~ 31-1120); 33.33 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA  
 32.9 average wage for food preparation workers (SOC code 35-2021); and 33.34 percent of the  
 32.10 Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for maids and  
 32.11 housekeeping cleaners (SOC code 37-2012).

32.12 Subd. 3. **Home care aide base wage.** For customized living, and foster care, and  
 32.13 ~~residential care~~ component services, the home care aide base wage equals ~~50~~ 75 percent of  
 32.14 the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health  
 32.15 and personal care aides (SOC code ~~31-1014~~ 31-1120); and ~~50~~ 25 percent of the  
 32.16 Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants  
 32.17 (SOC code ~~31-1014~~ 31-1131).

32.18 Subd. 4. **Home health aide base wage.** For customized living, and foster care, and  
 32.19 ~~residential care~~ component services, the home health aide base wage equals ~~20~~ 33.33 percent  
 32.20 of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for licensed  
 32.21 practical and licensed vocational nurses (SOC code 29-2061); ~~and 80~~ 33.33 percent of the  
 32.22 Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants  
 32.23 (SOC code ~~31-1014~~ 31-1131); and 33.34 percent of the Minneapolis-St. Paul-Bloomington,  
 32.24 MN-WI MetroSA average wage for home health and personal care aides (SOC code  
 32.25 31-1120).

32.26 Subd. 5. **Medication setups by licensed nurse base wage.** For customized living, and  
 32.27 ~~foster care, and residential care~~ component services, the medication setups by licensed nurse  
 32.28 base wage equals ~~ten~~ 25 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA  
 32.29 average wage for licensed practical and licensed vocational nurses (SOC code 29-2061);  
 32.30 and ~~90~~ 75 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average  
 32.31 wage for registered nurses (SOC code 29-1141).

32.32 Subd. 6. **Chore services base wage.** The chore services base wage equals ~~100~~ 50 percent  
 32.33 of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for landscaping  
 32.34 and groundskeeping workers (SOC code 37-3011); and 50 percent of the Minneapolis-St.



33.1 Paul-Bloomington, MN-WI MetroSA average wage for maids and housekeeping cleaners  
 33.2 (SOC code 37-2012).

33.3 Subd. 7. **Companion services base wage.** The companion services base wage equals  
 33.4 ~~50~~ 80 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage  
 33.5 for home health and personal and home care aides (SOC code ~~39-9021~~ 31-1120); and ~~50~~  
 33.6 20 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for  
 33.7 maids and housekeeping cleaners (SOC code 37-2012).

33.8 Subd. 8. **Homemaker services and assistance with personal care base wage.** The  
 33.9 homemaker services and assistance with personal care base wage equals ~~60~~ 50 percent of  
 33.10 the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home health  
 33.11 and personal and home care aide aides (SOC code ~~39-9021~~ 31-1120); ~~20~~ and 50 percent of  
 33.12 the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants  
 33.13 (SOC code ~~31-1014~~ 31-1131); and ~~20~~ percent of the Minneapolis-St. Paul-Bloomington,  
 33.14 ~~MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).~~

33.15 Subd. 9. **Homemaker services and cleaning base wage.** The homemaker services and  
 33.16 cleaning base wage equals ~~60~~ percent of the Minneapolis-St. Paul-Bloomington, MN-WI  
 33.17 ~~MetroSA average wage for personal and home care aide (SOC code 39-9021); 20 percent~~  
 33.18 ~~of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing~~  
 33.19 ~~assistants (SOC code 31-1014); and 20~~ 100 percent of the Minneapolis-St. Paul-Bloomington,  
 33.20 MN-WI MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).

33.21 Subd. 10. **Homemaker services and home management base wage.** The homemaker  
 33.22 services and home management base wage equals ~~60~~ 50 percent of the Minneapolis-St.  
 33.23 Paul-Bloomington, MN-WI MetroSA average wage for home health and personal and home  
 33.24 care aide aides (SOC code ~~39-9021~~ 31-1120); ~~20~~ and 50 percent of the Minneapolis-St.  
 33.25 Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code  
 33.26 ~~31-1014~~ 31-1131); and ~~20~~ percent of the Minneapolis-St. Paul-Bloomington, MN-WI  
 33.27 ~~MetroSA average wage for maids and housekeeping cleaners (SOC code 37-2012).~~

33.28 Subd. 11. **In-home respite care services base wage.** The in-home respite care services  
 33.29 base wage equals ~~five~~ 15 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA  
 33.30 average wage for registered nurses (SOC code 29-1141); 75 percent of the Minneapolis-St.  
 33.31 Paul-Bloomington, MN-WI MetroSA average wage for ~~nursing assistants~~ home health and  
 33.32 personal care aides (SOC code ~~31-1014~~ 31-1120); and ~~20~~ ten percent of the Minneapolis-St.  
 33.33 Paul-Bloomington, MN-WI MetroSA average wage for licensed practical and licensed  
 33.34 vocational nurses (SOC code 29-2061).

34.1 Subd. 12. **Out-of-home respite care services base wage.** The out-of-home respite care  
 34.2 services base wage equals ~~five~~ 15 percent of the Minneapolis-St. Paul-Bloomington, MN-WI  
 34.3 MetroSA average wage for registered nurses (SOC code 29-1141); 75 percent of the  
 34.4 Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for ~~nursing assistants~~  
 34.5 home health and personal care aides (SOC code ~~31-1014~~ 31-1120); and ~~20~~ ten percent of  
 34.6 the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for licensed practical  
 34.7 and licensed vocational nurses (SOC code 29-2061).

34.8 Subd. 13. **Individual community living support base wage.** The individual community  
 34.9 living support base wage equals ~~20~~ 60 percent of the Minneapolis-St. Paul-Bloomington,  
 34.10 MN-WI MetroSA average wage for ~~licensed practical and licensed vocational nurses~~ social  
 34.11 and human services aides (SOC code ~~29-2061~~ 21-1093); and ~~80~~ 40 percent of the  
 34.12 Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants  
 34.13 (SOC code ~~31-1014~~ 31-1131).

34.14 Subd. 14. **Registered nurse base wage.** The registered nurse base wage equals 100  
 34.15 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for  
 34.16 registered nurses (SOC code 29-1141).

34.17 Subd. 15. ~~Social worker~~ **Unlicensed supervisor base wage.** The ~~social worker~~  
 34.18 unlicensed supervisor base wage equals 100 percent of the Minneapolis-St.  
 34.19 Paul-Bloomington, MN-WI MetroSA average wage for ~~medical and public health social~~  
 34.20 first-line supervisors of personal service workers (SOC code ~~21-1022~~ 39-1098).

34.21 Subd. 16. **Adult day services base wage.** The adult day services base wage equals 75  
 34.22 percent of the Minneapolis-St. Paul-Bloomington, MN-WI MetroSA average wage for home  
 34.23 health and personal care aides (SOC code 31-1120); and 25 percent of the Minneapolis-St.  
 34.24 Paul-Bloomington, MN-WI MetroSA average wage for nursing assistants (SOC code  
 34.25 31-1131).

34.26 **EFFECTIVE DATE.** This section is effective January 1, 2024.

34.27 Sec. 13. Minnesota Statutes 2022, section 256S.213, is amended to read:

34.28 **256S.213 RATE SETTING; FACTORS AND SUPERVISION WAGE**  
 34.29 **COMPONENTS.**

34.30 Subdivision 1. **Payroll taxes and benefits factor.** The payroll taxes and benefits factor  
 34.31 is the sum of net payroll taxes and benefits, divided by the sum of all salaries for all nursing  
 34.32 facilities on the most recent and available cost report.

35.1 Subd. 2. **General and administrative factor.** The general and administrative factor is  
 35.2 ~~the difference of net general and administrative expenses and administrative salaries, divided~~  
 35.3 ~~by total operating expenses for all nursing facilities on the most recent and available cost~~  
 35.4 ~~report~~ 14.4 percent.

35.5 Subd. 3. **Program plan support factor.** (a) The program plan support factor is ~~12.8~~ ten  
 35.6 percent for the following services to cover the cost of direct service staff needed to provide  
 35.7 support for ~~home and community-based~~ the service when not engaged in direct contact with  
 35.8 participants:

35.9 (1) adult day services;

35.10 (2) customized living; and

35.11 (3) foster care.

35.12 (b) The program plan support factor is 15.5 percent for the following services to cover  
 35.13 the cost of direct service staff needed to provide support for the service when not engaged  
 35.14 in direct contact with participants:

35.15 (1) chore services;

35.16 (2) companion services;

35.17 (3) homemaker services and assistance with personal care;

35.18 (4) homemaker services and cleaning;

35.19 (5) homemaker services and home management;

35.20 (6) in-home respite care;

35.21 (7) individual community living support; and

35.22 (8) out-of-home respite care.

35.23 Subd. 4. **Registered nurse management and supervision factor** wage component. The  
 35.24 registered nurse management and supervision ~~factor~~ wage component equals 15 percent of  
 35.25 the registered nurse adjusted base wage as defined in section 256S.214.

35.26 Subd. 5. ~~Social worker~~ **Unlicensed supervisor supervision factor** wage  
 35.27 **component.** The ~~social worker~~ unlicensed supervisor supervision factor wage component  
 35.28 equals 15 percent of the ~~social worker~~ unlicensed supervisor adjusted base wage as defined  
 35.29 in section 256S.214.

35.30 Subd. 6. **Facility and equipment factor.** The facility and equipment factor for adult  
 35.31 day services is 16.2 percent.

36.1 Subd. 7. Food, supplies, and transportation factor. The food, supplies, and  
 36.2 transportation factor for adult day services is 24 percent.

36.3 Subd. 8. Supplies and transportation factor. The supplies and transportation factor  
 36.4 for the following services is 1.56 percent:

36.5 (1) chore services;

36.6 (2) companion services;

36.7 (3) homemaker services and assistance with personal care;

36.8 (4) homemaker services and cleaning;

36.9 (5) homemaker services and home management;

36.10 (6) in-home respite care;

36.11 (7) individual community living support; and

36.12 (8) out-of-home respite care.

36.13 Subd. 9. Absence factor. The absence factor for the following services is 4.5 percent:

36.14 (1) adult day services;

36.15 (2) chore services;

36.16 (3) companion services;

36.17 (4) homemaker services and assistance with personal care;

36.18 (5) homemaker services and cleaning;

36.19 (6) homemaker services and home management;

36.20 (7) in-home respite care;

36.21 (8) individual community living support; and

36.22 (9) out-of-home respite care.

36.23 **EFFECTIVE DATE.** This section is effective January 1, 2024.

36.24 Sec. 14. Minnesota Statutes 2022, section 256S.214, is amended to read:

36.25 **256S.214 RATE SETTING; ADJUSTED BASE WAGE.**

36.26 For the purposes of section 256S.215, the adjusted base wage for each position equals  
 36.27 the position's base wage under section 256S.212 plus:

37.1 (1) the position's base wage multiplied by the payroll taxes and benefits factor under  
37.2 section 256S.213, subdivision 1;

37.3 ~~(2) the position's base wage multiplied by the general and administrative factor under~~  
37.4 ~~section 256S.213, subdivision 2; and~~

37.5 ~~(3)~~ (2) the position's base wage multiplied by the applicable program plan support factor  
37.6 under section 256S.213, subdivision 3; and

37.7 (3) the position's base wage multiplied by the absence factor under section 256S.213,  
37.8 subdivision 9, if applicable.

37.9 **EFFECTIVE DATE.** This section is effective January 1, 2024.

37.10 Sec. 15. Minnesota Statutes 2022, section 256S.215, is amended to read:

37.11 **256S.215 RATE SETTING; COMPONENT RATES.**

37.12 Subdivision 1. **Medication setups by licensed nurse component rate.** The component  
37.13 rate for medication setups by a licensed nurse equals the medication setups by licensed  
37.14 nurse adjusted base wage.

37.15 Subd. 2. **Home management and support services component rate.** The component  
37.16 rate for home management and support services is calculated as follows:

37.17 (1) sum the home management and support services adjusted base wage ~~plus~~ and the  
37.18 registered nurse management and supervision ~~factor~~; wage component;

37.19 (2) multiply the result of clause (1) by the general and administrative factor; and

37.20 (3) sum the results of clauses (1) and (2).

37.21 Subd. 3. **Home care aide services component rate.** The component rate for home care  
37.22 aide services is calculated as follows:

37.23 (1) sum the home health aide services adjusted base wage ~~plus~~ and the registered nurse  
37.24 management and supervision ~~factor~~; wage component;

37.25 (2) multiply clause (1) by the general and administrative factor; and

37.26 (3) sum the results of clauses (1) and (2).

37.27 Subd. 4. **Home health aide services component rate.** The component rate for home  
37.28 health aide services is calculated as follows:

37.29 (1) sum the home health aide services adjusted base wage ~~plus~~ and the registered nurse  
37.30 management and supervision ~~factor~~; wage component;

38.1 (2) multiply the result of clause (1) by the general and administrative factor; and

38.2 (3) sum the results of clauses (1) and (2).

38.3 Subd. 5. **Socialization component rate.** The component rate under elderly waiver  
38.4 customized living for one-to-one socialization equals the home management and support  
38.5 services component rate.

38.6 Subd. 6. **Transportation component rate.** The component rate under elderly waiver  
38.7 customized living for one-to-one transportation equals the home management and support  
38.8 services component rate.

38.9 Subd. 7. **Chore services rate.** The 15-minute unit rate for chore services is calculated  
38.10 as follows:

38.11 (1) sum the chore services adjusted base wage and the ~~social worker~~ unlicensed supervisor  
38.12 supervision factor wage component; and

38.13 (2) multiply the result of clause (1) by the general and administrative factor;

38.14 (3) multiply the result of clause (1) by the supplies and transportation factor; and

38.15 (4) sum the results of clauses (1) to (3) and divide the result of ~~clause (1)~~ by four.

38.16 Subd. 8. **Companion services rate.** The 15-minute unit rate for companion services is  
38.17 calculated as follows:

38.18 (1) sum the companion services adjusted base wage and the ~~social worker~~ unlicensed  
38.19 supervisor supervision factor wage component; and

38.20 (2) multiply the result of clause (1) by the general and administrative factor;

38.21 (3) multiply the result of clause (1) by the supplies and transportation factor; and

38.22 (4) sum the results of clauses (1) to (3) and divide the result of ~~clause (1)~~ by four.

38.23 Subd. 9. **Homemaker services and assistance with personal care rate.** The 15-minute  
38.24 unit rate for homemaker services and assistance with personal care is calculated as follows:

38.25 (1) sum the homemaker services and assistance with personal care adjusted base wage  
38.26 and the ~~registered nurse management and~~ unlicensed supervisor supervision factor wage  
38.27 component; and

38.28 (2) multiply the result of clause (1) by the general and administrative factor;

38.29 (3) multiply the result of clause (1) by the supplies and transportation factor; and

38.30 (4) sum the results of clauses (1) to (3) and divide the result of ~~clause (1)~~ by four.

39.1 Subd. 10. **Homemaker services and cleaning rate.** The 15-minute unit rate for  
39.2 homemaker services and cleaning is calculated as follows:

39.3 (1) sum the homemaker services and cleaning adjusted base wage and the ~~registered~~  
39.4 ~~nurse management and~~ unlicensed supervisor supervision factor base wage; and

39.5 (2) multiply the result of clause (1) by the general and administrative factor;

39.6 (3) multiply the result of clause (1) by the supplies and transportation factor; and

39.7 (4) sum the results of clauses (1) to (3) and divide the result of clause (1) by four.

39.8 Subd. 11. **Homemaker services and home management rate.** The 15-minute unit rate  
39.9 for homemaker services and home management is calculated as follows:

39.10 (1) sum the homemaker services and home management adjusted base wage and the  
39.11 ~~registered nurse management and~~ unlicensed supervisor supervision factor wage component;  
39.12 and

39.13 (2) multiply the result of clause (1) by the general and administrative factor;

39.14 (3) multiply the result of clause (1) by the supplies and transportation factor; and

39.15 (4) sum the results of clauses (1) to (3) and divide the result of clause (1) by four.

39.16 Subd. 12. **In-home respite care services rates.** (a) The 15-minute unit rate for in-home  
39.17 respite care services is calculated as follows:

39.18 (1) sum the in-home respite care services adjusted base wage and the registered nurse  
39.19 management and supervision ~~factor~~ wage component; and

39.20 (2) multiply the result of clause (1) by the general and administrative factor;

39.21 (3) multiply the result of clause (1) by the supplies and transportation factor; and

39.22 (4) sum the results of clauses (1) to (3) and divide the result of clause (1) by four.

39.23 (b) The in-home respite care services daily rate equals the in-home respite care services  
39.24 15-minute unit rate multiplied by 18.

39.25 Subd. 13. **Out-of-home respite care services rates.** (a) The 15-minute unit rate for  
39.26 out-of-home respite care is calculated as follows:

39.27 (1) sum the out-of-home respite care services adjusted base wage and the registered  
39.28 nurse management and supervision ~~factor~~ wage component; and

39.29 (2) multiply the result of clause (1) by the general and administrative factor;

39.30 (3) multiply the result of clause (1) by the supplies and transportation factor; and

40.1 (4) sum the results of clauses (1) to (3) and divide the result of clause (1) by four.

40.2 (b) The out-of-home respite care services daily rate equals the 15-minute unit rate for  
40.3 out-of-home respite care services multiplied by 18.

40.4 Subd. 14. **Individual community living support rate.** The individual community living  
40.5 support rate is calculated as follows:

40.6 (1) ~~sum the home care aide~~ individual community living support adjusted base wage  
40.7 ~~and the social worker registered nurse management and supervision factor wage component;~~  
40.8 ~~and~~

40.9 (2) multiply the result of clause (1) by the general and administrative factor;

40.10 (3) multiply the result of clause (1) by the supplies and transportation factor; and

40.11 (4) sum the results of clauses (1) to (3) and divide the result of clause (1) by four.

40.12 Subd. 15. **Home-delivered meals rate.** The home-delivered meals rate equals ~~\$9.30~~  
40.13 \$8.17. On July 1 of each year, the commissioner shall increase update the home delivered  
40.14 meals rate ~~every July 1~~ by the percent increase in the nursing facility dietary per diem using  
40.15 the two most recent and available nursing facility cost reports.

40.16 Subd. 16. **Adult day services rate.** The 15-minute unit rate for adult day services, ~~with~~  
40.17 ~~an assumed staffing ratio of one staff person to four participants, is the sum of~~ is calculated  
40.18 as follows:

40.19 (1) ~~one-sixteenth of the home care aide~~ divide the adult day services adjusted base wage,  
40.20 ~~except that the general and administrative factor used to determine the home care aide~~  
40.21 ~~services adjusted base wage is 20 percent~~ by five to reflect an assumed staffing ratio of one  
40.22 to five;

40.23 (2) ~~one-fourth of the registered nurse management and supervision factor~~ sum the result  
40.24 of clause (1) and the registered nurse management and supervision wage component; and

40.25 (3) ~~\$0.63 to cover the cost of meals.~~ multiply the result of clause (2) by the general and  
40.26 administrative factor;

40.27 (4) multiply the result of clause (2) by the facility and equipment factor;

40.28 (5) multiply the result of clause (2) by the food, supplies, and transportation factor; and

40.29 (6) sum the results of clauses (2) to (5) and divide the result by four.

40.30 Subd. 17. **Adult day services bath rate.** The 15-minute unit rate for adult day services  
40.31 bath is ~~the sum of~~ calculated as follows:



41.1 (1) ~~one-fourth of the home care aide~~ sum the adult day services adjusted base wage,  
 41.2 ~~except that the general and administrative factor used to determine the home care aide~~  
 41.3 ~~services adjusted base wage is 20 percent~~ and the registered nurse management and  
 41.4 supervision wage component;

41.5 (2) ~~one-fourth of the registered nurse management and supervision factor~~ multiply the  
 41.6 result of clause (1) by the general and administrative factor; and

41.7 (3) ~~\$0.63 to cover the cost of meals.~~ multiply the result of clause (1) by the facility and  
 41.8 equipment factor;

41.9 (4) multiply the result of clause (1) by the food, supplies, and transportation factor; and

41.10 (5) sum the results of clauses (1) to (4) and divide the result by four.

41.11 **EFFECTIVE DATE.** This section is effective the January 1, 2024.

41.12 Sec. 16. **DIRECTION TO COMMISSIONER; ESTABLISHING SHARED SERVICE**  
 41.13 **RATES.**

41.14 The commissioner shall establish a rate system for shared homemaker services and  
 41.15 shared chore services based on homemaker rates for a single individual under section  
 41.16 256S.215, subdivisions 9 to 11, and the chore rate for a single individual under section  
 41.17 256S.215, subdivision 7. For two persons sharing services, the rate paid to a provider must  
 41.18 not exceed 1-1/2 times the rate paid for serving a single individual, and for three persons  
 41.19 sharing services, the rate paid to a provider must not exceed two times the rate paid for  
 41.20 serving a single individual. These rates apply only when all of the criteria for the shared  
 41.21 service have been met.

41.22 Sec. 17. **REVISOR INSTRUCTION.**

41.23 (a) In Minnesota Statutes, chapter 256S, the revisor of statutes shall change the following  
 41.24 terms wherever the terms appear:

41.25 (1) "homemaker services and assistance with personal care" to "homemaker assistance  
 41.26 with personal care services";

41.27 (2) "homemaker services and cleaning" to "homemaker cleaning services"; and

41.28 (3) "homemaker services and home management" to "homemaker home management  
 41.29 services."

41.30 (b) The revisor shall make any necessary grammatical changes related to the changes  
 41.31 in terms under paragraph (a).

42.1 **EFFECTIVE DATE.** This section is effective July 1, 2023.

42.2 Sec. 18. **REPEALER.**

42.3 Minnesota Statutes 2022, section 256S.19, subdivision 4, is repealed.

42.4 **EFFECTIVE DATE.** This section is effective January 1, 2024.

42.5 **ARTICLE 4**

42.6 **HOME CARE**

42.7 Section 1. Minnesota Statutes 2022, section 256B.0659, subdivision 1, is amended to read:

42.8 Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in  
42.9 paragraphs (b) to (r) have the meanings given unless otherwise provided in text.

42.10 (b) "Activities of daily living" means grooming, dressing, bathing, transferring, mobility,  
42.11 positioning, eating, and toileting.

42.12 (c) "Behavior," effective January 1, 2010, means a category to determine the home care  
42.13 rating and is based on the criteria found in this section. "Level I behavior" means physical  
42.14 aggression ~~towards~~ toward self, others, or destruction of property that requires the immediate  
42.15 response of another person.

42.16 (d) "Complex health-related needs," effective January 1, 2010, means a category to  
42.17 determine the home care rating and is based on the criteria found in this section.

42.18 (e) "Critical activities of daily living," effective January 1, 2010, means transferring,  
42.19 mobility, eating, and toileting.

42.20 (f) "Dependency in activities of daily living" means a person requires assistance to begin  
42.21 and complete one or more of the activities of daily living.

42.22 (g) "Extended personal care assistance service" means personal care assistance services  
42.23 included in a service plan under one of the home and community-based services waivers  
42.24 authorized under chapter 256S and sections 256B.092, subdivision 5, and 256B.49, which  
42.25 exceed the amount, duration, and frequency of the state plan personal care assistance services  
42.26 for participants who:

42.27 (1) need assistance provided periodically during a week, but less than daily will not be  
42.28 able to remain in their homes without the assistance, and other replacement services are  
42.29 more expensive or are not available when personal care assistance services are to be reduced;  
42.30 or

43.1 (2) need additional personal care assistance services beyond the amount authorized by  
43.2 the state plan personal care assistance assessment in order to ensure that their safety, health,  
43.3 and welfare are provided for in their homes.

43.4 (h) "Health-related procedures and tasks" means procedures and tasks that can be  
43.5 delegated or assigned by a licensed health care professional under state law to be performed  
43.6 by a personal care assistant.

43.7 (i) "Instrumental activities of daily living" means activities to include meal planning and  
43.8 preparation; basic assistance with paying bills; shopping for food, clothing, and other  
43.9 essential items; performing household tasks integral to the personal care assistance services;  
43.10 communication by telephone and other media; and traveling, including to medical  
43.11 appointments and to participate in the community. For purposes of this paragraph, traveling  
43.12 includes driving and accompanying the recipient in the recipient's chosen mode of  
43.13 transportation and according to the recipient's personal care assistance care plan.

43.14 (j) "Managing employee" has the same definition as Code of Federal Regulations, title  
43.15 42, section 455.

43.16 (k) "Qualified professional" means a professional providing supervision of personal care  
43.17 assistance services and staff as defined in section 256B.0625, subdivision 19c.

43.18 (l) "Personal care assistance provider agency" means a medical assistance enrolled  
43.19 provider that provides or assists with providing personal care assistance services and includes  
43.20 a personal care assistance provider organization, personal care assistance choice agency,  
43.21 class A licensed nursing agency, and Medicare-certified home health agency.

43.22 (m) "Personal care assistant" or "PCA" means an individual employed by a personal  
43.23 care assistance agency who provides personal care assistance services.

43.24 (n) "Personal care assistance care plan" means a written description of personal care  
43.25 assistance services developed by the personal care assistance provider according to the  
43.26 service plan.

43.27 (o) "Responsible party" means an individual who is capable of providing the support  
43.28 necessary to assist the recipient to live in the community.

43.29 (p) "Self-administered medication" means medication taken orally, by injection, nebulizer,  
43.30 or insertion, or applied topically without the need for assistance.

43.31 (q) "Service plan" means a written summary of the assessment and description of the  
43.32 services needed by the recipient.

44.1 (r) "Wages and benefits" means wages and salaries, the employer's share of FICA taxes,  
 44.2 Medicare taxes, state and federal unemployment taxes, workers' compensation, mileage  
 44.3 reimbursement, health and dental insurance, life insurance, disability insurance, long-term  
 44.4 care insurance, uniform allowance, and contributions to employee retirement accounts.

44.5 EFFECTIVE DATE. This section is effective July 1, 2023, or upon federal approval,  
 44.6 whichever is later. The commissioner of human services shall notify the revisor of statutes  
 44.7 when federal approval is obtained.

44.8 Sec. 2. Minnesota Statutes 2022, section 256B.0659, subdivision 12, is amended to read:

44.9 **Subd. 12. Documentation of personal care assistance services provided.** (a) Personal  
 44.10 care assistance services for a recipient must be documented daily by each personal care  
 44.11 assistant, on a time sheet form approved by the commissioner. All documentation may be  
 44.12 web-based, electronic, or paper documentation. The completed form must be submitted on  
 44.13 a monthly basis to the provider and kept in the recipient's health record.

44.14 (b) The activity documentation must correspond to the personal care assistance care plan  
 44.15 and be reviewed by the qualified professional.

44.16 (c) The personal care assistant time sheet must be on a form approved by the  
 44.17 commissioner documenting time the personal care assistant provides services in the home.  
 44.18 The following criteria must be included in the time sheet:

44.19 (1) full name of personal care assistant and individual provider number;

44.20 (2) provider name and telephone numbers;

44.21 (3) full name of recipient and either the recipient's medical assistance identification  
 44.22 number or date of birth;

44.23 (4) consecutive dates, including month, day, and year, and arrival and departure times  
 44.24 with a.m. or p.m. notations;

44.25 (5) signatures of recipient or the responsible party;

44.26 (6) personal signature of the personal care assistant;

44.27 (7) any shared care provided, if applicable;

44.28 (8) a statement that it is a federal crime to provide false information on personal care  
 44.29 service billings for medical assistance payments; ~~and~~

44.30 (9) dates and location of recipient stays in a hospital, care facility, or incarceration; and

45.1 (10) any time spent traveling, as described in subdivision 1, paragraph (i), including  
45.2 start and stop times with a.m. and p.m. designations, the origination site, and the destination  
45.3 site.

45.4 **EFFECTIVE DATE.** This section is effective July 1, 2023, or upon federal approval,  
45.5 whichever is later. The commissioner of human services shall notify the revisor of statutes  
45.6 when federal approval is obtained.

45.7 Sec. 3. Minnesota Statutes 2022, section 256B.0659, subdivision 17a, is amended to read:

45.8 Subd. 17a. **Enhanced rate.** An enhanced rate of ~~107.5~~ 143 percent of the rate paid for  
45.9 personal care assistance services shall be paid for services provided to persons who qualify  
45.10 for ten or more hours of personal care assistance services per day when provided by a  
45.11 personal care assistant who meets the requirements of subdivision 11, paragraph (d). Any  
45.12 change in the eligibility criteria for the enhanced rate for personal care assistance services  
45.13 as described in this subdivision and referenced in subdivision 11, paragraph (d), does not  
45.14 constitute a change in a term or condition for individual providers as defined in section  
45.15 256B.0711, and is not subject to the state's obligation to meet and negotiate under chapter  
45.16 179A.

45.17 **EFFECTIVE DATE.** This section is effective July 1, 2023, or upon federal approval,  
45.18 whichever is later. The commissioner of human services shall notify the revisor of statutes  
45.19 when federal approval is obtained.

45.20 Sec. 4. Minnesota Statutes 2022, section 256B.0659, subdivision 19, is amended to read:

45.21 Subd. 19. **Personal care assistance choice option; qualifications; duties.** (a) Under  
45.22 personal care assistance choice, the recipient or responsible party shall:

45.23 (1) recruit, hire, schedule, and terminate personal care assistants according to the terms  
45.24 of the written agreement required under subdivision 20, paragraph (a);

45.25 (2) develop a personal care assistance care plan based on the assessed needs and  
45.26 addressing the health and safety of the recipient with the assistance of a qualified professional  
45.27 as needed;

45.28 (3) orient and train the personal care assistant with assistance as needed from the qualified  
45.29 professional;

45.30 (4) supervise and evaluate the personal care assistant with the qualified professional,  
45.31 who is required to visit the recipient at least every 180 days;

46.1 (5) monitor and verify in writing and report to the personal care assistance choice agency  
46.2 the number of hours worked by the personal care assistant and the qualified professional;

46.3 (6) engage in an annual reassessment as required in subdivision 3a to determine  
46.4 continuing eligibility and service authorization; ~~and~~

46.5 (7) use the same personal care assistance choice provider agency if shared personal  
46.6 assistance care is being used; and

46.7 (8) ensure that a personal care assistant driving the recipient under subdivision 1,  
46.8 paragraph (i), has a valid driver's license and the vehicle used is registered and insured  
46.9 according to Minnesota law.

46.10 (b) The personal care assistance choice provider agency shall:

46.11 (1) meet all personal care assistance provider agency standards;

46.12 (2) enter into a written agreement with the recipient, responsible party, and personal  
46.13 care assistants;

46.14 (3) not be related as a parent, child, sibling, or spouse to the recipient or the personal  
46.15 care assistant; and

46.16 (4) ensure arm's-length transactions without undue influence or coercion with the recipient  
46.17 and personal care assistant.

46.18 (c) The duties of the personal care assistance choice provider agency are to:

46.19 (1) be the employer of the personal care assistant and the qualified professional for  
46.20 employment law and related regulations including but not limited to purchasing and  
46.21 maintaining workers' compensation, unemployment insurance, surety and fidelity bonds,  
46.22 and liability insurance, and submit any or all necessary documentation including but not  
46.23 limited to workers' compensation, unemployment insurance, and labor market data required  
46.24 under section 256B.4912, subdivision 1a;

46.25 (2) bill the medical assistance program for personal care assistance services and qualified  
46.26 professional services;

46.27 (3) request and complete background studies that comply with the requirements for  
46.28 personal care assistants and qualified professionals;

46.29 (4) pay the personal care assistant and qualified professional based on actual hours of  
46.30 services provided;

46.31 (5) withhold and pay all applicable federal and state taxes;

47.1 (6) verify and keep records of hours worked by the personal care assistant and qualified  
47.2 professional;

47.3 (7) make the arrangements and pay taxes and other benefits, if any, and comply with  
47.4 any legal requirements for a Minnesota employer;

47.5 (8) enroll in the medical assistance program as a personal care assistance choice agency;  
47.6 and

47.7 (9) enter into a written agreement as specified in subdivision 20 before services are  
47.8 provided.

47.9 **EFFECTIVE DATE.** This section is effective July 1, 2023, or upon federal approval,  
47.10 whichever is later. The commissioner of human services shall notify the revisor of statutes  
47.11 when federal approval is obtained.

47.12 Sec. 5. Minnesota Statutes 2022, section 256B.0659, subdivision 24, is amended to read:

47.13 Subd. 24. **Personal care assistance provider agency; general duties.** A personal care  
47.14 assistance provider agency shall:

47.15 (1) enroll as a Medicaid provider meeting all provider standards, including completion  
47.16 of the required provider training;

47.17 (2) comply with general medical assistance coverage requirements;

47.18 (3) demonstrate compliance with law and policies of the personal care assistance program  
47.19 to be determined by the commissioner;

47.20 (4) comply with background study requirements;

47.21 (5) verify and keep records of hours worked by the personal care assistant and qualified  
47.22 professional;

47.23 (6) not engage in any agency-initiated direct contact or marketing in person, by phone,  
47.24 or other electronic means to potential recipients, guardians, or family members;

47.25 (7) pay the personal care assistant and qualified professional based on actual hours of  
47.26 services provided;

47.27 (8) withhold and pay all applicable federal and state taxes;

47.28 (9) document that the agency uses a minimum of 72.5 percent of the revenue generated  
47.29 by the medical assistance rate for personal care assistance services for employee personal  
47.30 care assistant wages and benefits. The revenue generated by the qualified professional and

48.1 the reasonable costs associated with the qualified professional shall not be used in making  
48.2 this calculation;

48.3 (10) make the arrangements and pay unemployment insurance, taxes, workers'  
48.4 compensation, liability insurance, and other benefits, if any;

48.5 (11) enter into a written agreement under subdivision 20 before services are provided;

48.6 (12) report suspected neglect and abuse to the common entry point according to section  
48.7 256B.0651;

48.8 (13) provide the recipient with a copy of the home care bill of rights at start of service;

48.9 (14) request reassessments at least 60 days prior to the end of the current authorization  
48.10 for personal care assistance services, on forms provided by the commissioner;

48.11 (15) comply with the labor market reporting requirements described in section 256B.4912,  
48.12 subdivision 1a; ~~and~~

48.13 (16) document that the agency uses the additional revenue due to the enhanced rate under  
48.14 subdivision 17a for the wages and benefits of the PCAs whose services meet the requirements  
48.15 under subdivision 11, paragraph (d); and

48.16 (17) ensure that a personal care assistant driving a recipient under subdivision 1,  
48.17 paragraph (i), has a valid driver's license and the vehicle used is registered and insured  
48.18 according to Minnesota law.

48.19 **EFFECTIVE DATE.** This section is effective July 1, 2023, or upon federal approval,  
48.20 whichever is later. The commissioner of human services shall notify the revisor of statutes  
48.21 when federal approval is obtained.

48.22 Sec. 6. Minnesota Statutes 2022, section 256B.4911, is amended by adding a subdivision  
48.23 to read:

48.24 Subd. 6. **Services provided by parents and spouses.** (a) This subdivision limits medical  
48.25 assistance payments under the consumer-directed community supports option for personal  
48.26 assistance services provided by a parent to the parent's minor child or by a participant's  
48.27 spouse. This subdivision applies to the consumer-directed community supports option  
48.28 available under all of the following:

48.29 (1) alternative care program;

48.30 (2) brain injury waiver;

48.31 (3) community alternative care waiver;



49.1 (4) community access for disability inclusion waiver;

49.2 (5) developmental disabilities waiver;

49.3 (6) elderly waiver; and

49.4 (7) Minnesota senior health option.

49.5 (b) For the purposes of this subdivision, "parent" means a parent, stepparent, or legal  
 49.6 guardian of a minor.

49.7 (c) If multiple parents are providing personal assistance services to their minor child or  
 49.8 children, each parent may provide up to 40 hours of personal assistance services in any  
 49.9 seven-day period regardless of the number of children served. The total number of hours  
 49.10 of personal assistance services provided by all of the parents must not exceed 80 hours in  
 49.11 a seven-day period regardless of the number of children served.

49.12 (d) If only one parent is providing personal assistance services to a minor child or  
 49.13 children, the parent may provide up to 60 hours of personal assistance services in a seven-day  
 49.14 period regardless of the number of children served.

49.15 (e) If a participant's spouse is providing personal assistance services, the spouse may  
 49.16 provide up to 60 hours of personal assistance services in a seven-day period.

49.17 (f) This subdivision must not be construed to permit an increase in the total authorized  
 49.18 consumer-directed community supports budget for an individual.

49.19 **EFFECTIVE DATE.** This section is effective July 1, 2023, or upon federal approval,  
 49.20 whichever is later. The commissioner of human services shall notify the revisor of statutes  
 49.21 when federal approval is obtained.

49.22 Sec. 7. Minnesota Statutes 2022, section 256B.85, subdivision 7, is amended to read:

49.23 Subd. 7. **Community first services and supports; covered services.** Services and  
 49.24 supports covered under CFSS include:

49.25 (1) assistance to accomplish activities of daily living (ADLs), instrumental activities of  
 49.26 daily living (IADLs), and health-related procedures and tasks through hands-on assistance  
 49.27 to accomplish the task or constant supervision and cueing to accomplish the task;

49.28 (2) assistance to acquire, maintain, or enhance the skills necessary for the participant to  
 49.29 accomplish activities of daily living, instrumental activities of daily living, or health-related  
 49.30 tasks;

50.1 (3) expenditures for items, services, supports, environmental modifications, or goods,  
50.2 including assistive technology. These expenditures must:

50.3 (i) relate to a need identified in a participant's CFSS service delivery plan; and

50.4 (ii) increase independence or substitute for human assistance, to the extent that  
50.5 expenditures would otherwise be made for human assistance for the participant's assessed  
50.6 needs;

50.7 (4) observation and redirection for behavior or symptoms where there is a need for  
50.8 assistance;

50.9 (5) back-up systems or mechanisms, such as the use of pagers or other electronic devices,  
50.10 to ensure continuity of the participant's services and supports;

50.11 (6) services provided by a consultation services provider as defined under subdivision  
50.12 17, that is under contract with the department and enrolled as a Minnesota health care  
50.13 program provider;

50.14 (7) services provided by an FMS provider as defined under subdivision 13a, that is an  
50.15 enrolled provider with the department;

50.16 (8) CFSS services provided by a support worker who is a parent, stepparent, or legal  
50.17 guardian of a participant under age 18, or who is the participant's spouse. ~~These support~~  
50.18 ~~workers shall not:~~ Covered services under this clause are subject to the limitations described  
50.19 in subdivision 7b; and

50.20 ~~(i) provide any medical assistance home and community-based services in excess of 40~~  
50.21 ~~hours per seven-day period regardless of the number of parents providing services,~~  
50.22 ~~combination of parents and spouses providing services, or number of children who receive~~  
50.23 ~~medical assistance services; and~~

50.24 ~~(ii) have a wage that exceeds the current rate for a CFSS support worker including the~~  
50.25 ~~wage, benefits, and payroll taxes; and~~

50.26 (9) worker training and development services as described in subdivision 18a.

50.27 **EFFECTIVE DATE.** This section is effective July 1, 2023, or upon federal approval,  
50.28 whichever is later. The commissioner of human services shall notify the revisor of statutes  
50.29 when federal approval is obtained.

51.1 Sec. 8. Minnesota Statutes 2022, section 256B.85, subdivision 7a, is amended to read:

51.2 Subd. 7a. **Enhanced rate.** An enhanced rate of ~~107.5~~ 143 percent of the rate paid for  
51.3 CFSS must be paid for services provided to persons who qualify for ten or more hours of  
51.4 CFSS per day when provided by a support worker who meets the requirements of subdivision  
51.5 16, paragraph (e). Any change in the eligibility criteria for the enhanced rate for CFSS as  
51.6 described in this subdivision and referenced in subdivision 16, paragraph (e), does not  
51.7 constitute a change in a term or condition for individual providers as defined in section  
51.8 256B.0711, and is not subject to the state's obligation to meet and negotiate under chapter  
51.9 179A.

51.10 **EFFECTIVE DATE.** This section is effective July 1, 2023, or upon federal approval,  
51.11 whichever is later. The commissioner of human services shall notify the revisor of statutes  
51.12 when federal approval is obtained.

51.13 Sec. 9. Minnesota Statutes 2022, section 256B.85, is amended by adding a subdivision to  
51.14 read:

51.15 **Subd. 7b. Services provided by parents and spouses.** (a) This subdivision applies to  
51.16 services and supports described in subdivision 7, clause (8).

51.17 (b) If multiple parents are support workers providing CFSS services to their minor child  
51.18 or children, each parent may provide up to 40 hours of medical assistance home and  
51.19 community-based services in any seven-day period regardless of the number of children  
51.20 served. The total number of hours of medical assistance home and community-based services  
51.21 provided by all of the parents must not exceed 80 hours in a seven-day period regardless of  
51.22 the number of children served.

51.23 (c) If only one parent is a support worker providing CFSS services to the parent's minor  
51.24 child or children, the parent may provide up to 60 hours of medical assistance home and  
51.25 community-based services in a seven-day period regardless of the number of children served.

51.26 (d) If a participant's spouse is a support worker providing CFSS services, the spouse  
51.27 may provide up to 60 hours of medical assistance home and community-based services in  
51.28 a seven-day period.

51.29 (e) Paragraphs (b) to (d) must not be construed to permit an increase in either the total  
51.30 authorized service budget for an individual or the total number of authorized service units.

51.31 (f) A parent or participant's spouse must not receive a wage that exceeds the current rate  
51.32 for a CFSS support worker, including wages, benefits, and payroll taxes.

52.1 **EFFECTIVE DATE.** This section is effective July 1, 2023, or upon federal approval,  
 52.2 whichever is later. The commissioner of human services shall notify the revisor of statutes  
 52.3 when federal approval is obtained.

52.4 Sec. 10. Minnesota Statutes 2022, section 256B.851, subdivision 5, is amended to read:

52.5 Subd. 5. **Payment rates; component values.** (a) The commissioner must use the  
 52.6 following component values:

52.7 (1) employee vacation, sick, and training factor, 8.71 percent;

52.8 (2) employer taxes and workers' compensation factor, 11.56 percent;

52.9 (3) employee benefits factor, 12.04 percent;

52.10 (4) client programming and supports factor, 2.30 percent;

52.11 (5) program plan support factor, 7.00 percent;

52.12 (6) general business and administrative expenses factor, 13.25 percent;

52.13 (7) program administration expenses factor, 2.90 percent; and

52.14 (8) absence and utilization factor, 3.90 percent.

52.15 (b) For purposes of implementation, the commissioner shall use the following  
 52.16 implementation components:

52.17 (1) personal care assistance services and CFSS: ~~75.45~~ ... percent;

52.18 (2) enhanced rate personal care assistance services and enhanced rate CFSS: ~~75.45~~ ...  
 52.19 percent; and

52.20 (3) qualified professional services and CFSS worker training and development: ~~75.45~~  
 52.21 ... percent.

52.22 **EFFECTIVE DATE.** This section is effective July 1, 2023, or upon federal approval,  
 52.23 whichever is later. The commissioner of human services shall notify the revisor of statutes  
 52.24 when federal approval is obtained.

52.25 Sec. 11. **PERSONAL CARE ASSISTANCE ENHANCED RATE FOR PERSONS**  
 52.26 **USING CONSUMER-DIRECTED COMMUNITY SUPPORTS.**

52.27 The commissioner of human services shall increase the annual budgets for participants  
 52.28 who use consumer-directed community supports under Minnesota Statutes, sections  
 52.29 256B.0913, subdivision 5, clause (17); 256B.092, subdivision 1b, paragraph (a), clause (4);

53.1 and 256B.49, subdivision 16, paragraph (c); and chapter 256S, by 43 percent for participants  
 53.2 who: (1) are determined by assessment to be eligible for ten or more hours of personal care  
 53.3 assistance services or community first services and supports per day; and (2) use direct  
 53.4 support services provided by a worker employed by the participant who has completed  
 53.5 training identified in Minnesota Statutes, section 256B.0659, subdivision 11, paragraph (d),  
 53.6 or 256B.85, subdivision 16, paragraph (e).

53.7 **EFFECTIVE DATE.** This section is effective January 1, 2024, or upon federal approval,  
 53.8 whichever is later. The commissioner of human services shall notify the revisor of statutes  
 53.9 when federal approval is obtained.

53.10 **Sec. 12. RATE INCREASE FOR CERTAIN HOME CARE SERVICES.**

53.11 Subdivision 1. **Rate increases.** (a) Effective January 1, 2024, or upon federal approval,  
 53.12 whichever is later, the commissioner of human services shall increase payment rates for  
 53.13 home health aide visits by 14 percent from the rates in effect on December 31, 2023. The  
 53.14 commissioner must apply the annual rate increases under Minnesota Statutes, section  
 53.15 256B.0653, subdivision 8, to the rates resulting from the application of the rate increases  
 53.16 under this paragraph.

53.17 (b) Effective January 1, 2024, or upon federal approval, whichever is later, the  
 53.18 commissioner shall increase payment rates for respiratory therapy under Minnesota Rules,  
 53.19 part 9505.0295, subpart 2, item E, and for home health services and home care nursing  
 53.20 services, except home health aide visits, under Minnesota Statutes, section 256B.0651,  
 53.21 subdivision 2, clauses (1) to (3), by 38.8 percent from the rates in effect on December 31,  
 53.22 2023. The commissioner must apply the annual rate increases under Minnesota Statutes,  
 53.23 sections 256B.0653, subdivision 8, and 256B.0654, subdivision 5, to the rates resulting  
 53.24 from the application of the rate increase under this paragraph.

53.25 Subd. 2. **Spending requirements.** (a) At least 80 percent of the marginal increase in  
 53.26 revenue for home care services resulting from implementation of the rate increases under  
 53.27 this section for services rendered on or after the day of implementation of the increase must  
 53.28 be used to increase compensation-related costs for employees directly employed by the  
 53.29 provider to provide the services.

53.30 (b) For the purposes of this subdivision, compensation-related costs include:

53.31 (1) wages and salaries;

53.32 (2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment  
 53.33 taxes, workers' compensation, and mileage reimbursement;

54.1 (3) the employer's paid share of health and dental insurance, life insurance, disability  
 54.2 insurance, long-term care insurance, uniform allowance, pensions, and contributions to  
 54.3 employee retirement accounts; and

54.4 (4) benefits that address direct support professional workforce needs above and beyond  
 54.5 what employees were offered prior to implementation of the rate increases.

54.6 (c) Compensation-related costs for persons employed in the central office of a corporation  
 54.7 or entity that has an ownership interest in the provider or exercises control over the provider,  
 54.8 or for persons paid by the provider under a management contract, do not count toward the  
 54.9 80 percent requirement under this subdivision.

54.10 (d) A provider agency or individual provider that receives additional revenue subject to  
 54.11 the requirements of this subdivision shall prepare, and upon request submit to the  
 54.12 commissioner, a distribution plan that specifies the amount of money the provider expects  
 54.13 to receive that is subject to the requirements of this subdivision, including how that money  
 54.14 was or will be distributed to increase compensation-related costs for employees. Within 60  
 54.15 days of final implementation of the new rate methodology or any rate adjustment subject  
 54.16 to the requirements of this subdivision, the provider must post the distribution plan and  
 54.17 leave it posted for a period of at least six months in an area of the provider's operation to  
 54.18 which all direct support professionals have access. The posted distribution plan must include  
 54.19 instructions regarding how to contact the commissioner, or the commissioner's representative,  
 54.20 if an employee has not received the compensation-related increase described in the plan.

## 54.21 **ARTICLE 5**

### 54.22 **NURSING FACILITIES**

54.23 Section 1. Minnesota Statutes 2022, section 256R.02, subdivision 16, is amended to read:

54.24 Subd. 16. **Dietary costs.** "Dietary costs" means the costs for ~~the salaries and wages of~~  
 54.25 ~~the dietary supervisor, dietitians, chefs, cooks, dishwashers, and other employees assigned~~  
 54.26 ~~to the kitchen and dining room, and associated fringe benefits and payroll taxes. Dietary~~  
 54.27 ~~costs also includes~~ the salaries or fees of dietary consultants, dietary supplies, and food  
 54.28 preparation and serving.

54.29 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
 54.30 2025, or upon federal approval, whichever is later. The commissioner of human services  
 54.31 shall notify the revisor of statutes when federal approval is obtained.

55.1 Sec. 2. Minnesota Statutes 2022, section 256R.02, is amended by adding a subdivision to  
55.2 read:

55.3 Subd. 16a. **Dietary labor costs.** "Dietary labor costs" means the costs for the salaries  
55.4 and wages of the dietary supervisor, dietitians, chefs, cooks, dishwashers, and other  
55.5 employees assigned to the kitchen and dining room, and associated fringe benefits and  
55.6 payroll taxes.

55.7 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
55.8 2025, or upon federal approval, whichever is later. The commissioner of human services  
55.9 shall notify the revisor of statutes when federal approval is obtained.

55.10 Sec. 3. Minnesota Statutes 2022, section 256R.02, subdivision 24, is amended to read:

55.11 Subd. 24. **Housekeeping costs.** "Housekeeping costs" means ~~the costs for the salaries~~  
55.12 ~~and wages of the housekeeping supervisor, housekeepers, and other cleaning employees~~  
55.13 ~~and associated fringe benefits and payroll taxes. It also includes the cost of housekeeping~~  
55.14 supplies, including, but not limited to, cleaning and lavatory supplies and contract services.

55.15 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
55.16 2025, or upon federal approval, whichever is later. The commissioner of human services  
55.17 shall notify the revisor of statutes when federal approval is obtained.

55.18 Sec. 4. Minnesota Statutes 2022, section 256R.02, is amended by adding a subdivision to  
55.19 read:

55.20 Subd. 24a. **Housekeeping labor costs.** "Housekeeping labor costs" means the costs for  
55.21 the salaries and wages of the housekeeping supervisor, housekeepers, and other cleaning  
55.22 employees, and associated fringe benefits and payroll taxes.

55.23 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
55.24 2025, or upon federal approval, whichever is later. The commissioner of human services  
55.25 shall notify the revisor of statutes when federal approval is obtained.

55.26 Sec. 5. Minnesota Statutes 2022, section 256R.02, is amended by adding a subdivision to  
55.27 read:

55.28 Subd. 25b. **Known cost change factor.** "Known cost change factor" means 1.00 plus  
55.29 the forecasted percentage change in the CPI-U index from July 1 of the reporting period to  
55.30 July 1 of the rate year as determined by the national economic consultant used by the  
55.31 commissioner of management and budget.

56.1 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
56.2 2025, or upon federal approval, whichever is later. The commissioner of human services  
56.3 shall notify the revisor of statutes when federal approval is obtained.

56.4 Sec. 6. Minnesota Statutes 2022, section 256R.02, subdivision 26, is amended to read:

56.5 Subd. 26. **Laundry costs.** "Laundry costs" means the costs ~~for the salaries and wages~~  
56.6 ~~of the laundry supervisor and other laundry employees, associated fringe benefits, and~~  
56.7 ~~payroll taxes. It also includes the costs of linen and bedding, the laundering of resident~~  
56.8 clothing, laundry supplies, and contract services.

56.9 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
56.10 2025, or upon federal approval, whichever is later. The commissioner of human services  
56.11 shall notify the revisor of statutes when federal approval is obtained.

56.12 Sec. 7. Minnesota Statutes 2022, section 256R.02, is amended by adding a subdivision to  
56.13 read:

56.14 Subd. 26a. **Laundry labor costs.** "Laundry labor costs" means the costs for the salaries  
56.15 and wages of the laundry supervisor and other laundry employees, and associated fringe  
56.16 benefits and payroll taxes.

56.17 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
56.18 2025, or upon federal approval, whichever is later. The commissioner of human services  
56.19 shall notify the revisor of statutes when federal approval is obtained.

56.20 Sec. 8. Minnesota Statutes 2022, section 256R.02, subdivision 29, is amended to read:

56.21 Subd. 29. **Maintenance and plant operations costs.** "Maintenance and plant operations  
56.22 costs" means ~~the costs for the salaries and wages of the maintenance supervisor, engineers,~~  
56.23 ~~heating plant employees, and other maintenance employees and associated fringe benefits~~  
56.24 ~~and payroll taxes. It also includes~~ identifiable costs for maintenance and operation of the  
56.25 building and grounds, including, but not limited to, fuel, electricity, plastic waste bags,  
56.26 medical waste and garbage removal, water, sewer, supplies, tools, repairs, and minor  
56.27 equipment not requiring capitalization under Medicare guidelines.

56.28 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
56.29 2025, or upon federal approval, whichever is later. The commissioner of human services  
56.30 shall notify the revisor of statutes when federal approval is obtained.



57.1 Sec. 9. Minnesota Statutes 2022, section 256R.02, is amended by adding a subdivision to  
57.2 read:

57.3 Subd. 29a. **Maintenance and plant operations labor costs.** "Maintenance and plant  
57.4 operations labor costs" means the costs for the salaries and wages of the maintenance  
57.5 supervisor, engineers, heating-plant employees, and other maintenance employees, and  
57.6 associated fringe benefits and payroll taxes.

57.7 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
57.8 2025, or upon federal approval, whichever is later. The commissioner of human services  
57.9 shall notify the revisor of statutes when federal approval is obtained.

57.10 Sec. 10. Minnesota Statutes 2022, section 256R.02, subdivision 34, is amended to read:

57.11 Subd. 34. **Other care-related costs.** "Other care-related costs" means the sum of activities  
57.12 costs, other direct care costs, raw food costs, dietary labor costs, housekeeping labor costs,  
57.13 laundry labor costs, maintenance and plant operations labor costs, therapy costs, and social  
57.14 services costs.

57.15 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
57.16 2025, or upon federal approval, whichever is later. The commissioner of human services  
57.17 shall notify the revisor of statutes when federal approval is obtained.

57.18 Sec. 11. Minnesota Statutes 2022, section 256R.23, subdivision 2, is amended to read:

57.19 Subd. 2. **Calculation of direct care cost per standardized day.** Each facility's direct  
57.20 care cost per standardized day is (1) the product of the facility's direct care costs and the  
57.21 known cost change factor, (2) divided by the sum of the facility's standardized days. A  
57.22 facility's direct care cost per standardized day is the facility's cost per day for direct care  
57.23 services associated with a case mix index of 1.00.

57.24 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
57.25 2025, or upon federal approval, whichever is later. The commissioner of human services  
57.26 shall notify the revisor of statutes when federal approval is obtained.

57.27 Sec. 12. Minnesota Statutes 2022, section 256R.23, subdivision 3, is amended to read:

57.28 Subd. 3. **Calculation of other care-related cost per resident day.** Each facility's other  
57.29 care-related cost per resident day is (1) the product of its other care-related costs and the  
57.30 known cost change factor, (2) divided by the sum of the facility's resident days.

58.1 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
 58.2 2025, or upon federal approval, whichever is later. The commissioner of human services  
 58.3 shall notify the revisor of statutes when federal approval is obtained.

58.4 Sec. 13. Minnesota Statutes 2022, section 256R.24, subdivision 1, is amended to read:

58.5 Subdivision 1. **Determination of other operating cost per day.** Each facility's other  
 58.6 operating cost per day is (1) the product of its other operating costs and the known cost  
 58.7 change factor, (2) divided by the sum of the facility's resident days.

58.8 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
 58.9 2025, or upon federal approval, whichever is later. The commissioner of human services  
 58.10 shall notify the revisor of statutes when federal approval is obtained.

58.11 Sec. 14. Minnesota Statutes 2022, section 256R.25, is amended to read:

58.12 **256R.25 EXTERNAL FIXED COSTS PAYMENT RATE.**

58.13 (a) The payment rate for external fixed costs is the sum of the amounts in paragraphs  
 58.14 (b) to (o).

58.15 (b) For a facility licensed as a nursing home, the portion related to the provider surcharge  
 58.16 under section 256.9657 is equal to \$8.86 per resident day. For a facility licensed as both a  
 58.17 nursing home and a boarding care home, the portion related to the provider surcharge under  
 58.18 section 256.9657 is equal to \$8.86 per resident day multiplied by the result of its number  
 58.19 of nursing home beds divided by its total number of licensed beds.

58.20 (c) The portion related to the licensure fee under section 144.122, paragraph (d), is the  
 58.21 amount of the fee divided by the sum of the facility's resident days.

58.22 (d) The portion related to development and education of resident and family advisory  
 58.23 councils under section 144A.33 is \$5 per resident day divided by 365.

58.24 (e) The portion related to scholarships is determined under section 256R.37.

58.25 (f) The portion related to planned closure rate adjustments is as determined under section  
 58.26 256R.40, subdivision 5, and Minnesota Statutes 2010, section 256B.436.

58.27 (g) The portion related to consolidation rate adjustments shall be as determined under  
 58.28 section 144A.071, subdivisions 4c, paragraph (a), clauses (5) and (6), and 4d.

58.29 (h) The portion related to single-bed room incentives is as determined under section  
 58.30 256R.41.

59.1 (i) The portions related to real estate taxes, special assessments, and payments made in  
 59.2 lieu of real estate taxes directly identified or allocated to the nursing facility are the allowable  
 59.3 amounts divided by the sum of the facility's resident days. Allowable costs under this  
 59.4 paragraph for payments made by a nonprofit nursing facility that are in lieu of real estate  
 59.5 taxes shall not exceed the amount which the nursing facility would have paid to a city or  
 59.6 township and county for fire, police, sanitation services, and road maintenance costs had  
 59.7 real estate taxes been levied on that property for those purposes.

59.8 (j) The portion related to employer health insurance costs is (1) the product of the  
 59.9 allowable costs and the known cost change factor, (2) divided by the sum of the facility's  
 59.10 resident days.

59.11 (k) The portion related to the Public Employees Retirement Association is the allowable  
 59.12 costs divided by the sum of the facility's resident days.

59.13 (l) The portion related to quality improvement incentive payment rate adjustments is  
 59.14 the amount determined under section 256R.39.

59.15 (m) The portion related to performance-based incentive payments is the amount  
 59.16 determined under section 256R.38.

59.17 (n) The portion related to special dietary needs is the amount determined under section  
 59.18 256R.51.

59.19 (o) The portion related to the rate adjustments for border city facilities is the amount  
 59.20 determined under section 256R.481.

59.21 **EFFECTIVE DATE.** This section is effective for the rate year beginning January 1,  
 59.22 2025, or upon federal approval, whichever is later. The commissioner of human services  
 59.23 shall notify the revisor of statutes when federal approval is obtained.

59.24 **Sec. 15. NURSING FACILITY FUNDING.**

59.25 (a) Effective July 1, 2023, through December 31, 2025, the total payment rate for all  
 59.26 facilities reimbursed under Minnesota Statutes, chapter 256R, must be increased by \$28.65  
 59.27 per resident day.

59.28 (b) To be eligible to receive a payment under this section, a nursing facility must attest  
 59.29 to the commissioner of human services that the additional revenue will be used exclusively  
 59.30 to increase compensation-related costs for employees directly employed by the facility on  
 59.31 or after July 1, 2023, excluding:

59.32 (1) owners of the building and operation;

60.1 (2) persons employed in the central office of an entity that has any ownership interest  
60.2 in the nursing facility or exercises control over the nursing facility;

60.3 (3) persons paid by the nursing facility under a management contract; and

60.4 (4) persons providing separately billable services.

60.5 (c) Contracted housekeeping, dietary, and laundry employees providing services on site  
60.6 at the nursing facility are eligible for compensation-related cost increases under this section,  
60.7 provided the agency that employs them submits to the nursing facility proof of the costs of  
60.8 the increases provided to those employees.

60.9 (d) For purposes of this section, compensation-related costs include:

60.10 (1) permanent new increases to wages and salaries implemented on or after July 1, 2023,  
60.11 and before September 1, 2023, for nursing facility employees;

60.12 (2) permanent new increases to wages and salaries implemented on or after July 1, 2023,  
60.13 and before September 1, 2023, for employees in the organization's shared services  
60.14 departments of hospital-attached nursing facilities for the nursing facility allocated share  
60.15 of wages; and

60.16 (3) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment  
60.17 taxes, PERA, workers' compensation, and pension and employee retirement accounts directly  
60.18 associated with the wage and salary increases in clauses (1) and (2) incurred no later than  
60.19 December 31, 2025, and paid for no later than June 30, 2026.

60.20 (e) A facility that receives a rate increase under this section must complete a distribution  
60.21 plan in the form and manner determined by the commissioner. This plan must specify the  
60.22 total amount of money the facility is estimated to receive from this rate increase and how  
60.23 that money will be distributed to increase the allowable compensation-related costs described  
60.24 in paragraph (d) for employees described in paragraphs (b) and (c). This estimate must be  
60.25 computed by multiplying \$28.65 by the sum of the medical assistance and private pay  
60.26 resident days as defined in Minnesota Statutes, section 256R.02, subdivision 45, for the  
60.27 period beginning October 1, 2021, through September 30, 2022, dividing this sum by 365  
60.28 and multiplying the result by 915. A facility must submit its distribution plan to the  
60.29 commissioner by October 1, 2023. The commissioner may review the distribution plan to  
60.30 ensure that the payment rate adjustment per resident day is used in accordance with this  
60.31 section. The commissioner may allow for a distribution plan amendment under exceptional  
60.32 circumstances to be determined at the sole discretion of the commissioner.

61.1 (f) By September 1, 2023, a facility must post the distribution plan summary and leave  
 61.2 it posted for a period of at least six months in an area of the facility to which all employees  
 61.3 have access. The posted distribution plan summary must be in the form and manner  
 61.4 determined by the commissioner. The distribution plan summary must include instructions  
 61.5 regarding how to contact the commissioner, or the commissioner's representative, if an  
 61.6 employee believes the employee is covered by paragraph (b) or (c) and has not received the  
 61.7 compensation-related increases described in paragraph (d). The instruction to such employees  
 61.8 must include the e-mail address and telephone number that may be used by the employee  
 61.9 to contact the commissioner's representative. The posted distribution plan summary must  
 61.10 demonstrate how the increase in paragraph (a) received by the nursing facility from July 1,  
 61.11 2023, through December 1, 2025, will be used in full to pay the compensation-related costs  
 61.12 in paragraph (d) for employees described in paragraphs (b) and (c).

61.13 (g) If the nursing facility expends less on new compensation-related costs than the amount  
 61.14 that was made available by the rate increase in this section for that purpose, the amount of  
 61.15 this rate adjustment must be reduced to equal the amount utilized by the facility for purposes  
 61.16 authorized under this section. If the facility fails to post the distribution plan summary in  
 61.17 its facility as required, fails to submit its distribution plan to the commissioner by the due  
 61.18 date, or uses these funds for unauthorized purposes, these rate increases must be treated as  
 61.19 an overpayment and subsequently recovered.

61.20 (h) The commissioner shall not treat payments received under this section as an applicable  
 61.21 credit for purposes of setting total payment rates under Minnesota Statutes, chapter 256R.

61.22 **EFFECTIVE DATE.** This section is effective July 1, 2023, or upon federal approval,  
 61.23 whichever is later. The commissioner of human services shall notify the revisor of statutes  
 61.24 when federal approval is obtained.

## 61.25 **ARTICLE 6**

### 61.26 **INTERMEDIATE CARE FACILITIES**

61.27 Section 1. Minnesota Statutes 2022, section 256B.5012, is amended by adding a subdivision  
 61.28 to read:

61.29 Subd. 19. **ICF/DD rate increase effective July 1, 2023.** (a) Effective July 1, 2023, the  
 61.30 daily operating payment rate for a class A intermediate care facility for persons with  
 61.31 developmental disabilities is increased by \$50.

61.32 (b) Effective July 1, 2023, the daily operating payment rate for a class B intermediate  
 61.33 care facility for persons with developmental disabilities is increased by \$50.

62.1 **EFFECTIVE DATE.** This section is effective July 1, 2023, or upon federal approval,  
62.2 whichever is later. The commissioner of human services shall notify the revisor of statutes  
62.3 when federal approval is obtained.

62.4 Sec. 2. Minnesota Statutes 2022, section 256B.5012, is amended by adding a subdivision  
62.5 to read:

62.6 Subd. 20. **ICF/DD minimum daily operating payment rates.** (a) The minimum daily  
62.7 operating payment rate for a class A intermediate care facility for persons with developmental  
62.8 disabilities is \$300.

62.9 (b) The minimum daily operating payment rate for a class B intermediate care facility  
62.10 for persons with developmental disabilities is \$400.

62.11 **EFFECTIVE DATE.** This section is effective July 1, 2023, or upon federal approval,  
62.12 whichever is later. The commissioner of human services shall notify the revisor of statutes  
62.13 when federal approval is obtained.

62.14 Sec. 3. Minnesota Statutes 2022, section 256B.5012, is amended by adding a subdivision  
62.15 to read:

62.16 Subd. 21. **Spending requirements.** (a) At least 80 percent of the marginal increase in  
62.17 revenue resulting from implementation of the rate increases under subdivisions 19 and 20  
62.18 for services rendered on or after the day of implementation of the increases must be used  
62.19 to increase compensation-related costs for employees directly employed by the facility.

62.20 (b) For the purposes of this subdivision, compensation-related costs include:

62.21 (1) wages and salaries;

62.22 (2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment  
62.23 taxes, workers' compensation, and mileage reimbursement;

62.24 (3) the employer's paid share of health and dental insurance, life insurance, disability  
62.25 insurance, long-term care insurance, uniform allowance, pensions, and contributions to  
62.26 employee retirement accounts; and

62.27 (4) benefits that address direct support professional workforce needs above and beyond  
62.28 what employees were offered prior to implementation of the rate increases.

62.29 (c) Compensation-related costs for persons employed in the central office of a corporation  
62.30 or entity that has an ownership interest in the provider or exercises control over the provider,

63.1 or for persons paid by the provider under a management contract, do not count toward the  
 63.2 80 percent requirement under this subdivision.

63.3 (d) A provider agency or individual provider that receives additional revenue subject to  
 63.4 the requirements of this subdivision shall prepare, and upon request submit to the  
 63.5 commissioner, a distribution plan that specifies the amount of money the provider expects  
 63.6 to receive that is subject to the requirements of this subdivision, including how that money  
 63.7 was or will be distributed to increase compensation-related costs for employees. Within 60  
 63.8 days of final implementation of the new rate methodology or any rate adjustment subject  
 63.9 to the requirements of this subdivision, the provider must post the distribution plan and  
 63.10 leave it posted for a period of at least six months in an area of the provider's operation to  
 63.11 which all direct support professionals have access. The posted distribution plan must include  
 63.12 instructions regarding how to contact the commissioner, or the commissioner's representative,  
 63.13 if an employee has not received the compensation-related increase described in the plan.

63.14 **Sec. 4. DIRECTION TO COMMISSIONER; APPLICATION OF INTERMEDIATE**  
 63.15 **CARE FACILITIES FOR PERSONS WITH DEVELOPMENTAL DISABILITIES**  
 63.16 **RATE INCREASES.**

63.17 The commissioner of human services shall apply the rate increases under Minnesota  
 63.18 Statutes, section 256B.5012, subdivisions 19 and 20, as follows:

63.19 (1) apply Minnesota Statutes, section 256B.5012, subdivision 19; and

63.20 (2) apply any required rate increase as required under Minnesota Statutes, section  
 63.21 256B.5012, subdivision 20, to the results of clause (1).

63.22 **ARTICLE 7**

63.23 **EMERGENCY AND NONEMERGENCY MEDICAL TRANSPORTATION**

63.24 Section 1. Minnesota Statutes 2022, section 256B.0625, subdivision 17, is amended to  
 63.25 read:

63.26 Subd. 17. **Transportation costs.** (a) "Nonemergency medical transportation service"  
 63.27 means motor vehicle transportation provided by a public or private person that serves  
 63.28 Minnesota health care program beneficiaries who do not require emergency ambulance  
 63.29 service, as defined in section 144E.001, subdivision 3, to obtain covered medical services.

63.30 (b) Medical assistance covers medical transportation costs incurred solely for obtaining  
 63.31 emergency medical care or transportation costs incurred by eligible persons in obtaining  
 63.32 emergency or nonemergency medical care when paid directly to an ambulance company,

64.1 nonemergency medical transportation company, or other recognized providers of  
64.2 transportation services. Medical transportation must be provided by:

64.3 (1) nonemergency medical transportation providers who meet the requirements of this  
64.4 subdivision;

64.5 (2) ambulances, as defined in section 144E.001, subdivision 2;

64.6 (3) taxicabs that meet the requirements of this subdivision;

64.7 (4) public transit, as defined in section 174.22, subdivision 7; or

64.8 (5) not-for-hire vehicles, including volunteer drivers, as defined in section 65B.472,  
64.9 subdivision 1, paragraph (h).

64.10 (c) Medical assistance covers nonemergency medical transportation provided by  
64.11 nonemergency medical transportation providers enrolled in the Minnesota health care  
64.12 programs. All nonemergency medical transportation providers must comply with the  
64.13 operating standards for special transportation service as defined in sections 174.29 to 174.30  
64.14 and Minnesota Rules, chapter 8840, and all drivers must be individually enrolled with the  
64.15 commissioner and reported on the claim as the individual who provided the service. All  
64.16 nonemergency medical transportation providers shall bill for nonemergency medical  
64.17 transportation services in accordance with Minnesota health care programs criteria. Publicly  
64.18 operated transit systems, volunteers, and not-for-hire vehicles are exempt from the  
64.19 requirements outlined in this paragraph.

64.20 (d) An organization may be terminated, denied, or suspended from enrollment if:

64.21 (1) the provider has not initiated background studies on the individuals specified in  
64.22 section 174.30, subdivision 10, paragraph (a), clauses (1) to (3); or

64.23 (2) the provider has initiated background studies on the individuals specified in section  
64.24 174.30, subdivision 10, paragraph (a), clauses (1) to (3), and:

64.25 (i) the commissioner has sent the provider a notice that the individual has been  
64.26 disqualified under section 245C.14; and

64.27 (ii) the individual has not received a disqualification set-aside specific to the special  
64.28 transportation services provider under sections 245C.22 and 245C.23.

64.29 (e) The administrative agency of nonemergency medical transportation must:

64.30 (1) adhere to the policies defined by the commissioner;



65.1 (2) pay nonemergency medical transportation providers for services provided to  
65.2 Minnesota health care programs beneficiaries to obtain covered medical services;

65.3 (3) provide data monthly to the commissioner on appeals, complaints, no-shows, canceled  
65.4 trips, and number of trips by mode; and

65.5 (4) by July 1, 2016, in accordance with subdivision 18e, utilize a web-based single  
65.6 administrative structure assessment tool that meets the technical requirements established  
65.7 by the commissioner, reconciles trip information with claims being submitted by providers,  
65.8 and ensures prompt payment for nonemergency medical transportation services.

65.9 (f) Until the commissioner implements the single administrative structure and delivery  
65.10 system under subdivision 18e, clients shall obtain their level-of-service certificate from the  
65.11 commissioner or an entity approved by the commissioner that does not dispatch rides for  
65.12 clients using modes of transportation under paragraph (i), clauses (4), (5), (6), and (7).

65.13 (g) The commissioner may use an order by the recipient's attending physician, advanced  
65.14 practice registered nurse, physician assistant, or a medical or mental health professional to  
65.15 certify that the recipient requires nonemergency medical transportation services.

65.16 Nonemergency medical transportation providers shall perform driver-assisted services for  
65.17 eligible individuals, when appropriate. Driver-assisted service includes passenger pickup  
65.18 at and return to the individual's residence or place of business, assistance with admittance  
65.19 of the individual to the medical facility, and assistance in passenger securement or in securing  
65.20 of wheelchairs, child seats, or stretchers in the vehicle.

65.21 Nonemergency medical transportation providers must take clients to the health care  
65.22 provider using the most direct route, and must not exceed 30 miles for a trip to a primary  
65.23 care provider or 60 miles for a trip to a specialty care provider, unless the client receives  
65.24 authorization from the local agency.

65.25 Nonemergency medical transportation providers may not bill for separate base rates for  
65.26 the continuation of a trip beyond the original destination. Nonemergency medical  
65.27 transportation providers must maintain trip logs, which include pickup and drop-off times,  
65.28 signed by the medical provider or client, whichever is deemed most appropriate, attesting  
65.29 to mileage traveled to obtain covered medical services. Clients requesting client mileage  
65.30 reimbursement must sign the trip log attesting mileage traveled to obtain covered medical  
65.31 services.

65.32 (h) The administrative agency shall use the level of service process established by the  
65.33 commissioner to determine the client's most appropriate mode of transportation. If public

66.1 transit or a certified transportation provider is not available to provide the appropriate service  
66.2 mode for the client, the client may receive a onetime service upgrade.

66.3 (i) The covered modes of transportation are:

66.4 (1) client reimbursement, which includes client mileage reimbursement provided to  
66.5 clients who have their own transportation, or to family or an acquaintance who provides  
66.6 transportation to the client;

66.7 (2) volunteer transport, which includes transportation by volunteers using their own  
66.8 vehicle;

66.9 (3) unassisted transport, which includes transportation provided to a client by a taxicab  
66.10 or public transit. If a taxicab or public transit is not available, the client can receive  
66.11 transportation from another nonemergency medical transportation provider;

66.12 (4) assisted transport, which includes transport provided to clients who require assistance  
66.13 by a nonemergency medical transportation provider;

66.14 (5) lift-equipped/ramp transport, which includes transport provided to a client who is  
66.15 dependent on a device and requires a nonemergency medical transportation provider with  
66.16 a vehicle containing a lift or ramp;

66.17 (6) protected transport, which includes transport provided to a client who has received  
66.18 a prescreening that has deemed other forms of transportation inappropriate and who requires  
66.19 a provider: (i) with a protected vehicle that is not an ambulance or police car and has safety  
66.20 locks, a video recorder, and a transparent thermoplastic partition between the passenger and  
66.21 the vehicle driver; and (ii) who is certified as a protected transport provider; and

66.22 (7) stretcher transport, which includes transport for a client in a prone or supine position  
66.23 and requires a nonemergency medical transportation provider with a vehicle that can transport  
66.24 a client in a prone or supine position.

66.25 (j) The local agency shall be the single administrative agency and shall administer and  
66.26 reimburse for modes defined in paragraph (i) according to paragraphs (m) and (n) when the  
66.27 commissioner has developed, made available, and funded the web-based single administrative  
66.28 structure, assessment tool, and level of need assessment under subdivision 18e. The local  
66.29 agency's financial obligation is limited to funds provided by the state or federal government.

66.30 (k) The commissioner shall:

66.31 (1) verify that the mode and use of nonemergency medical transportation is appropriate;

66.32 (2) verify that the client is going to an approved medical appointment; and

67.1 (3) investigate all complaints and appeals.

67.2 (l) The administrative agency shall pay for the services provided in this subdivision and  
 67.3 seek reimbursement from the commissioner, if appropriate. As vendors of medical care,  
 67.4 local agencies are subject to the provisions in section 256B.041, the sanctions and monetary  
 67.5 recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245.

67.6 (m) Payments for nonemergency medical transportation must be paid based on the client's  
 67.7 assessed mode under paragraph (h), not the type of vehicle used to provide the service. The  
 67.8 medical assistance reimbursement rates for nonemergency medical transportation services  
 67.9 that are payable by or on behalf of the commissioner for nonemergency medical  
 67.10 transportation services are:

67.11 (1) \$0.22 per mile for client reimbursement;

67.12 (2) up to 100 percent of the Internal Revenue Service business deduction rate for volunteer  
 67.13 transport;

67.14 (3) equivalent to the standard fare for unassisted transport when provided by public  
 67.15 transit, and ~~\$11~~ \$12.93 for the base rate and ~~\$1.30~~ \$1.53 per mile when provided by a  
 67.16 nonemergency medical transportation provider;

67.17 (4) ~~\$13~~ \$15.28 for the base rate and ~~\$1.30~~ \$1.53 per mile for assisted transport;

67.18 (5) ~~\$18~~ \$21.15 for the base rate and ~~\$1.55~~ \$1.82 per mile for lift-equipped/ramp transport;

67.19 (6) \$75 for the base rate and \$2.40 per mile for protected transport; and

67.20 (7) \$60 for the base rate and \$2.40 per mile for stretcher transport, and \$9 per trip for  
 67.21 an additional attendant if deemed medically necessary.

67.22 (n) The base rate for nonemergency medical transportation services in areas defined  
 67.23 under RUCA to be super rural is equal to 111.3 percent of the respective base rate in  
 67.24 paragraph (m), clauses (1) to (7). The mileage rate for nonemergency medical transportation  
 67.25 services in areas defined under RUCA to be rural or super rural areas is:

67.26 (1) for a trip equal to 17 miles or less, equal to 125 percent of the respective mileage  
 67.27 rate in paragraph (m), clauses (1) to (7); and

67.28 (2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective mileage  
 67.29 rate in paragraph (m), clauses (1) to (7).

67.30 (o) For purposes of reimbursement rates for nonemergency medical transportation  
 67.31 services under paragraphs (m) and (n), the zip code of the recipient's place of residence  
 67.32 shall determine whether the urban, rural, or super rural reimbursement rate applies.

68.1 (p) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means  
68.2 a census-tract based classification system under which a geographical area is determined  
68.3 to be urban, rural, or super rural.

68.4 (q) The commissioner, when determining reimbursement rates for nonemergency medical  
68.5 transportation under paragraphs (m) and (n), shall exempt all modes of transportation listed  
68.6 under paragraph (i) from Minnesota Rules, part 9505.0445, item R, subitem (2).

68.7 (r) Effective for the first day of each calendar quarter in which the price of gasoline as  
68.8 posted publicly by the United States Energy Information Administration exceeds \$3.00 per  
68.9 gallon, the commissioner shall adjust the rate paid per mile in paragraph (m) by one percent  
68.10 up or down for every increase or decrease of ten cents for the price of gasoline. The increase  
68.11 or decrease must be calculated using a base gasoline price of \$3.00. The percentage increase  
68.12 or decrease must be calculated using the average of the most recently available price of all  
68.13 grades of gasoline for Minnesota as posted publicly by the United States Energy Information  
68.14 Administration.

68.15 **EFFECTIVE DATE.** This section is effective July 1, 2023, or upon federal approval,  
68.16 whichever is later. The commissioner of human services shall notify the revisor of statutes  
68.17 when federal approval is obtained.

68.18 Sec. 2. Minnesota Statutes 2022, section 256B.0625, subdivision 17a, is amended to read:

68.19 Subd. 17a. **Payment for ambulance services.** (a) Medical assistance covers ambulance  
68.20 services. Providers shall bill ambulance services according to Medicare criteria.  
68.21 Nonemergency ambulance services shall not be paid as emergencies. Effective for services  
68.22 rendered on or after July 1, 2001, medical assistance payments for ambulance services shall  
68.23 be paid at the Medicare reimbursement rate or at the medical assistance payment rate in  
68.24 effect on July 1, 2000, whichever is greater.

68.25 (b) Effective for services provided on or after July 1, 2016, medical assistance payment  
68.26 rates for ambulance services identified in this paragraph are increased by five percent.  
68.27 Capitation payments made to managed care plans and county-based purchasing plans for  
68.28 ambulance services provided on or after January 1, 2017, shall be increased to reflect this  
68.29 rate increase. The increased rate described in this paragraph applies to ambulance service  
68.30 providers whose base of operations as defined in section 144E.10 is located:

68.31 (1) outside the metropolitan counties listed in section 473.121, subdivision 4, and outside  
68.32 the cities of Duluth, Mankato, Moorhead, St. Cloud, and Rochester; or

68.33 (2) within a municipality with a population of less than 1,000.

69.1 (c) Effective for the first day of each calendar quarter in which the price of gasoline as  
69.2 posted publicly by the United States Energy Information Administration exceeds \$3.00 per  
69.3 gallon, the commissioner shall adjust the rate paid per mile in paragraphs (a) and (b) by one  
69.4 percent up or down for every increase or decrease of ten cents for the price of gasoline. The  
69.5 increase or decrease must be calculated using a base gasoline price of \$3.00. The percentage  
69.6 increase or decrease must be calculated using the average of the most recently available  
69.7 price of all grades of gasoline for Minnesota as posted publicly by the United States Energy  
69.8 Information Administration.

69.9 **EFFECTIVE DATE.** This section is effective July 1, 2023, or upon federal approval,  
69.10 whichever is later. The commissioner of human services shall notify the revisor of statutes  
69.11 when federal approval is obtained.

69.12 **Sec. 3. NONEMERGENCY MEDICAL TRANSPORTATION SPENDING**  
69.13 **REQUIREMENTS.**

69.14 (a) At least 80 percent of the marginal increase in revenue from the implementation of  
69.15 rate increases in this act under Minnesota Statutes, section 256B.0625, subdivision 17,  
69.16 paragraph (m), clauses (3) to (5), for services rendered on or after the day of implementation  
69.17 of the rate increases must be used to increase compensation-related costs for drivers.

69.18 (b) For the purposes of this subdivision, compensation-related costs include:

69.19 (1) wages and salaries;

69.20 (2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment  
69.21 taxes, workers' compensation, and mileage reimbursement;

69.22 (3) the employer's paid share of health and dental insurance, life insurance, disability  
69.23 insurance, long-term care insurance, uniform allowance, pensions, and contributions to  
69.24 employee retirement accounts; and

69.25 (4) benefits that address direct support professional workforce needs above and beyond  
69.26 what employees were offered prior to the implementation of the rate increases.

69.27 (c) Compensation-related costs for persons employed in the central office of a corporation  
69.28 or entity that has an ownership interest in the provider or exercises control over the provider,  
69.29 or for persons paid by the provider under a management contract, do not count toward the  
69.30 80 percent requirement under this subdivision.

69.31 (d) A provider agency or individual provider that receives additional revenue subject to  
69.32 the requirements of this subdivision shall prepare, and upon request submit to the

70.1 commissioner, a distribution plan that specifies the amount of money the provider expects  
 70.2 to receive that is subject to the requirements of this section, including how that money was  
 70.3 or will be distributed to increase compensation-related costs for drivers. Within 60 days of  
 70.4 final implementation of the new phase-in proportion or adjustment to the base wage indices  
 70.5 subject to the requirements of this subdivision, the provider must post the distribution plan  
 70.6 and leave it posted for a period of at least six months in an area of the provider's operation  
 70.7 to which all drivers have access. The posted distribution plan must include instructions  
 70.8 regarding how to contact the commissioner, or the commissioner's representative, if a driver  
 70.9 has not received the compensation-related increase described in the plan.

## 70.10 **ARTICLE 8**

### 70.11 **RESIDENTIAL SETTING CLOSURE PREVENTION GRANTS**

70.12 Section 1. **[256.4795] RESIDENTIAL SETTING CLOSURE PREVENTION**  
 70.13 **GRANTS.**

70.14 Subdivision 1. **Residential setting closure prevention grants established.** The  
 70.15 commissioner of human services shall establish a grant program to reduce the risk of  
 70.16 residential settings in financial distress from closing. The commissioner shall limit  
 70.17 expenditures under this subdivision to the amount appropriated for this purpose.

70.18 Subd. 2. **Definitions.** (a) For the purposes of this section, the terms in this subdivision  
 70.19 have the meanings given them.

70.20 (b) "At risk of closure" or "at risk of closing" means a residential setting is in significant  
 70.21 financial distress, and, in the judgment of the commissioner, the setting will close without  
 70.22 additional funding from the commissioner.

70.23 (c) "Residential setting" means any of the following: (1) a nursing facility; (2) an assisted  
 70.24 living facility with a majority of residents receiving services funded by medical assistance;  
 70.25 (3) a setting exempt from assisted living facility licensure under section 144G.08, subdivision  
 70.26 7, clauses (10) to (13), with a majority of residents receiving services funded by medical  
 70.27 assistance; (4) an intermediate care facility for persons with developmental disabilities; or  
 70.28 (5) an adult foster care setting, a community residential setting, or an integrated community  
 70.29 supports setting.

70.30 Subd. 3. **Eligibility.** (a) A license holder operating a residential setting in significant  
 70.31 financial distress may apply to the commissioner for a grant under this section to relieve its  
 70.32 immediate financial distress.

71.1 (b) Lead agencies that suspect a residential setting is in significant financial distress may  
71.2 refer the license holder to the commissioner for consideration by the commissioner for grant  
71.3 funding under this section. Upon a referral from a lead agency under this section, the  
71.4 commissioner shall immediately solicit an application from the license holder, providing  
71.5 individualized technical assistance to the license holder regarding the application process.

71.6 (c) The commissioner must give priority for closure prevention grants to residential  
71.7 settings that are the most significantly at risk of closing in violation of the applicable notice  
71.8 requirements prior to the termination of services.

71.9 Subd. 4. **Criteria and limitations.** (a) Within available appropriations for this purpose,  
71.10 the commissioner must award sufficient funding to a residential setting at risk of closure to  
71.11 ensure that the residential setting remains open long enough to comply with the applicable  
71.12 termination of services notification requirements.

71.13 (b) The commissioner may award additional funding to a residential setting at risk of  
71.14 closure if, in the judgment of the commissioner, the residential setting is likely to remain  
71.15 open and financially viable after receiving time-limited additional funding from the  
71.16 commissioner.

71.17 (c) Before receiving any additional funding under paragraph (b), grantees must work  
71.18 with the commissioner to develop a business plan and corrective action plan to reduce the  
71.19 risk of future financial distress. No residential setting may receive additional funding under  
71.20 paragraph (b) more than once.

71.21 Subd. 5. **Interagency coordination.** The commissioner must coordinate the grant  
71.22 activities under this section with any other impacted state agencies and lead agencies.

71.23 Subd. 6. **Administrative funding.** The commissioner may use up to 6.5 percent of the  
71.24 grant money appropriated for the commissioner's costs related to administration of this  
71.25 program.

71.26 **EFFECTIVE DATE.** This section is effective July 1, 2023.

## ARTICLE 9

## EXPANSION OF EMERGENCY STAFFING POOL

72.1

72.2

72.3 Section 1. Laws 2022, chapter 40, section 6, is amended to read:

72.4 Sec. 6. **COMMISSIONER OF HUMAN SERVICES; TEMPORARY STAFFING**  
 72.5 **POOL; ~~APPROPRIATION.~~**

72.6 (a) The commissioner of human services shall establish a temporary emergency staffing  
 72.7 pool for congregate settings and for providers or recipients of home- and community-based  
 72.8 services experiencing staffing crises. Vendor contracts may include retention bonuses,  
 72.9 sign-on bonuses, and payment for hours on call. The commissioner may pay for necessary  
 72.10 training, travel, and lodging expenses of the temporary staff. Contracts for temporary staffing  
 72.11 executed under this section: (1) should minimize the recruitment away from providers'  
 72.12 current workforces; and (2) may not be executed with an individual until at least 30 days  
 72.13 since the individual was last employed in Minnesota by one of the types of facilities,  
 72.14 providers, or individuals listed in paragraph (g).

72.15 (b) Temporary staff, at the request of the commissioner, may be deployed to providers  
 72.16 of home- and community-based services, individual recipients of home- and  
 72.17 community-based services, and long-term care facilities and other congregate care residential  
 72.18 facilities and programs experiencing an emergency staffing crisis on or after the effective  
 72.19 date of this section. Temporary staff must be provided at no cost to the provider, individual  
 72.20 recipient, facility, or program receiving the temporary staff.

72.21 (c) Members of the temporary staffing pool under this section are not state employees.

72.22 (d) The commissioner must coordinate the activities under this section with any other  
 72.23 impacted state agencies, to appropriately prioritize locations to deploy contracted temporary  
 72.24 staff.

72.25 (e) The commissioner must give priority for deploying staff to providers, individual  
 72.26 recipients, facilities, and programs with the most significant staffing crises and where, but  
 72.27 for this assistance, residents or service recipients would be at significant risk of injury due  
 72.28 to the need to transfer to ~~another~~ a facility or a hospital for adequately staffed care.

72.29 (f) A provider, individual recipient, facility, or program may seek onetime assistance  
 72.30 per setting or individual service recipient from the temporary staffing pool only after the  
 72.31 provider, individual recipient, facility, or program has used all resources available to obtain  
 72.32 temporary staff but is unable to meet the provider's, individual's, facility's, or program's  
 72.33 temporary staffing needs. A provider, individual, facility, or program may apply for



73.1 temporary staff for up to 21 days. Applicants must submit a proposed plan for ensuring  
73.2 resident safety at the end of that time period.

73.3 (g) Providers, individuals, facilities, and programs eligible to obtain temporary staff  
73.4 from the temporary staffing pool include:

73.5 (1) nursing facilities;

73.6 (2) assisted living facilities;

73.7 (3) intermediate care facilities for persons with developmental disabilities;

73.8 (4) adult foster care ~~or~~ community residential settings, or integrated community supports  
73.9 settings;

73.10 (5) licensed substance use disorder treatment facilities;

73.11 (6) unlicensed county-based substance use disorder treatment facilities;

73.12 (7) licensed facilities for adults with mental illness;

73.13 (8) licensed detoxification programs;

73.14 (9) licensed withdrawal management programs;

73.15 (10) licensed children's residential facilities;

73.16 (11) licensed child foster residence settings;

73.17 (12) unlicensed, Tribal-certified facilities that perform functions similar to the licensed  
73.18 facilities listed in this paragraph;

73.19 (13) boarding care homes;

73.20 (14) board and lodging establishments serving people with disabilities or disabling  
73.21 conditions;

73.22 (15) board and lodging establishments with special services;

73.23 (16) supervised living facilities;

73.24 (17) supportive housing;

73.25 (18) sober homes;

73.26 (19) community-based halfway houses for people exiting the correctional system;

73.27 (20) shelters serving people experiencing homelessness;

73.28 (21) drop-in centers for people experiencing homelessness;

- 74.1 (22) homeless outreach services for unsheltered individuals;
- 74.2 (23) shelters for people experiencing domestic violence; ~~and~~
- 74.3 (24) temporary isolation spaces for people who test positive for COVID-19;
- 74.4 (25) individuals who use consumer-directed community supports;
- 74.5 (26) individuals who use the personal care assistance choice program;
- 74.6 (27) personal care assistance provider agencies;
- 74.7 (28) individuals who use the community first services and supports budget model;
- 74.8 (29) agency-providers of community first services and supports; and
- 74.9 (30) providers of individualized home supports.
- 74.10 (h) Notwithstanding Minnesota Statutes, chapter 16C, the commissioner may maintain,
- 74.11 extend, or renew contracts for temporary staffing entered into on or after September 1, 2020.
- 74.12 The commissioner may also enter into new contracts with eligible entities for temporary
- 74.13 staff deployed in the temporary staffing pool. The commissioner may use up to 6.5 percent
- 74.14 of this funding for the commissioner's costs related to administration of this program.
- 74.15 (i) The commissioner shall seek all allowable FEMA reimbursement for the costs of this
- 74.16 activity.

## ARTICLE 10

### FAMILY ASSETS FOR INDEPENDENCE

- 74.17
- 74.18
- 74.19 Section 1. Minnesota Statutes 2022, section 256E.35, subdivision 1, is amended to read:
- 74.20 Subdivision 1. **Establishment.** The Minnesota family assets for independence initiative
- 74.21 is established to provide incentives for low-income families to accrue assets for education,
- 74.22 housing, vehicles, emergencies, and economic development purposes.
- 74.23 Sec. 2. Minnesota Statutes 2022, section 256E.35, subdivision 2, is amended to read:
- 74.24 Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.
- 74.25 (b) "Eligible educational institution" means the following:
- 74.26 (1) an institution of higher education described in section 101 or 102 of the Higher
- 74.27 Education Act of 1965; or
- 74.28 (2) an area vocational education school, as defined in subparagraph (C) or (D) of United
- 74.29 States Code, title 20, chapter 44, section 2302 (3) (the Carl D. Perkins Vocational and

75.1 Applied Technology Education Act), which is located within any state, as defined in United  
75.2 States Code, title 20, chapter 44, section 2302 (30). This clause is applicable only to the  
75.3 extent section 2302 is in effect on August 1, 2008.

75.4 (c) "Family asset account" means a savings account opened by a household participating  
75.5 in the Minnesota family assets for independence initiative.

75.6 (d) "Fiduciary organization" means:

75.7 (1) a community action agency that has obtained recognition under section 256E.31;

75.8 (2) a federal community development credit union ~~serving the seven-county metropolitan~~  
75.9 ~~area; or~~

75.10 (3) a women-oriented economic development agency ~~serving the seven-county~~  
75.11 ~~metropolitan area;~~

75.12 (4) a federally recognized Tribal nation; or

75.13 (5) a nonprofit organization, as defined under section 501(c)(3) of the Internal Revenue  
75.14 Code.

75.15 (e) "Financial coach" means a person who:

75.16 (1) has completed an intensive financial literacy training workshop that includes  
75.17 curriculum on budgeting to increase savings, debt reduction and asset building, building a  
75.18 good credit rating, and consumer protection;

75.19 (2) participates in ongoing statewide family assets for independence in Minnesota (FAIM)  
75.20 network training meetings under FAIM program supervision; and

75.21 (3) provides financial coaching to program participants under subdivision 4a.

75.22 (f) "Financial institution" means a bank, bank and trust, savings bank, savings association,  
75.23 or credit union, the deposits of which are insured by the Federal Deposit Insurance  
75.24 Corporation or the National Credit Union Administration.

75.25 (g) "Household" means all individuals who share use of a dwelling unit as primary  
75.26 quarters for living and eating separate from other individuals.

75.27 (h) "Permissible use" means:

75.28 (1) postsecondary educational expenses at an eligible educational institution as defined  
75.29 in paragraph (b), including books, supplies, and equipment required for courses of instruction;

75.30 (2) acquisition costs of acquiring, constructing, or reconstructing a residence, including  
75.31 any usual or reasonable settlement, financing, or other closing costs;

76.1 (3) business capitalization expenses for expenditures on capital, plant, equipment, working  
 76.2 capital, and inventory expenses of a legitimate business pursuant to a business plan approved  
 76.3 by the fiduciary organization;

76.4 (4) acquisition costs of a principal residence within the meaning of section 1034 of the  
 76.5 Internal Revenue Code of 1986 which do not exceed 100 percent of the average area purchase  
 76.6 price applicable to the residence determined according to section 143(e)(2) and (3) of the  
 76.7 Internal Revenue Code of 1986; ~~and~~

76.8 (5) acquisition costs of a personal vehicle only if approved by the fiduciary organization;

76.9 (6) contribution to an emergency savings account; and

76.10 (7) contribution to a Minnesota 529 savings plan.

76.11 Sec. 3. Minnesota Statutes 2022, section 256E.35, subdivision 4a, is amended to read:

76.12 Subd. 4a. **Financial coaching.** A financial coach shall provide the following to program  
 76.13 participants:

76.14 (1) financial education relating to budgeting, debt reduction, asset-specific training,  
 76.15 credit building, and financial stability activities;

76.16 (2) asset-specific training related to buying a home or vehicle, acquiring postsecondary  
 76.17 education, ~~or~~ starting or expanding a small business, saving for emergencies, or saving for  
 76.18 a child's education; and

76.19 (3) financial stability education and training to improve and sustain financial security.

76.20 Sec. 4. Minnesota Statutes 2022, section 256E.35, subdivision 6, is amended to read:

76.21 Subd. 6. **Withdrawal; matching; permissible uses.** (a) To receive a match, a  
 76.22 participating household must transfer funds withdrawn from a family asset account to its  
 76.23 matching fund custodial account held by the fiscal agent, according to the family asset  
 76.24 agreement. The fiscal agent must determine if the match request is for a permissible use  
 76.25 consistent with the household's family asset agreement.

76.26 (b) The fiscal agent must ensure the household's custodial account contains the applicable  
 76.27 matching funds to match the balance in the household's account, including interest, on at  
 76.28 least a quarterly basis and at the time of an approved withdrawal. Matches must be a  
 76.29 contribution of \$3 from state grant or TANF funds for every \$1 of funds withdrawn from  
 76.30 the family asset account not to exceed a ~~\$6,000~~ \$9,000 lifetime limit.

77.1 (c) Notwithstanding paragraph (b), if funds are appropriated for the Federal Assets for  
77.2 Independence Act of 1998, and a participating fiduciary organization is awarded a grant  
77.3 under that act, participating households with that fiduciary organization must be provided  
77.4 matches as follows:

77.5 (1) from state grant and TANF funds, a matching contribution of \$1.50 for every \$1 of  
77.6 funds withdrawn from the family asset account not to exceed a ~~\$3,000~~ \$4,500 lifetime limit;  
77.7 and

77.8 (2) from nonstate funds, a matching contribution of not less than \$1.50 for every \$1 of  
77.9 funds withdrawn from the family asset account not to exceed a ~~\$3,000~~ \$4,500 lifetime limit.

77.10 (d) Upon receipt of transferred custodial account funds, the fiscal agent must make a  
77.11 direct payment to the vendor of the goods or services for the permissible use.

77.12 Sec. 5. Minnesota Statutes 2022, section 256E.35, subdivision 7, is amended to read:

77.13 Subd. 7. **Program reporting.** The fiscal agent on behalf of each fiduciary organization  
77.14 participating in a family assets for independence initiative must report quarterly to the  
77.15 commissioner of human services identifying the participants with accounts, the number of  
77.16 accounts, the amount of savings and matches for each participant's account, the uses of the  
77.17 account, ~~and~~ the number of businesses, homes, vehicles, and educational services paid for  
77.18 with money from the account, and the amount of contributions to Minnesota 529 savings  
77.19 plans and emergency savings accounts, as well as other information that may be required  
77.20 for the commissioner to administer the program and meet federal TANF reporting  
77.21 requirements.

77.22 Sec. 6. Minnesota Statutes 2022, section 256P.02, is amended by adding a subdivision to  
77.23 read:

77.24 Subd. 4. **Account exception.** Family asset accounts under section 256E.35 and individual  
77.25 development accounts authorized under the Assets for Independence Act, Title IV of the  
77.26 Community Opportunities, Accountability, and Training and Educational Services Human  
77.27 Services Reauthorization Act of 1998, Public Law 105-285, must be excluded when  
77.28 determining the equity value of personal property.

78.1

**ARTICLE 11**

78.2

**APPROPRIATIONS**78.3 Section 1. **APPROPRIATION; FAMILY ASSETS FOR INDEPENDENCE.**

78.4 \$100,000 in fiscal year 2024 and \$100,000 in fiscal year 2025 are appropriated from the  
78.5 general fund to the commissioner of human services for the purposes of the family assets  
78.6 for independence program in Minnesota Statutes, section 256E.35.

78.7 Sec. 2. **APPROPRIATION; LIFESHARING SERVICE DEVELOPMENT.**

78.8 \$184,000 in fiscal year 2024 is appropriated from the general fund to the commissioner  
78.9 of human services for engaging stakeholders and developing a lifesharing service under the  
78.10 state's medical assistance disability waivers and elderly waiver. This is a onetime  
78.11 appropriation and is available until June 30, 2025.

78.12 Sec. 3. **APPROPRIATION; RESIDENTIAL SETTING CLOSURE PREVENTION**  
78.13 **GRANTS.**

78.14 \$6,671,000 in fiscal year 2024 and \$6,671,000 in fiscal year 2025 are appropriated from  
78.15 the general fund to the commissioner of human services for residential setting closure  
78.16 prevention grants under Minnesota Statutes, section 256.4795.

78.17 Sec. 4. **APPROPRIATION; WELLNESS IN THE WOODS.**

78.18 \$100,000 in fiscal year 2024 and \$100,000 in fiscal year 2025 are appropriated from the  
78.19 general fund to the commissioner of human services for a grant to Wellness in the Woods  
78.20 for daily peer support and special sessions for individuals who are in substance use disorder  
78.21 recovery, are transitioning out of incarceration, or have experienced trauma.

**256B.4914 HOME AND COMMUNITY-BASED SERVICES WAIVERS; RATE SETTING.**

Subd. 9a. **Respite services; component values and calculation of payment rates.** (a) For the purposes of this section, respite services include respite services provided to an individual outside of any service plan for a day program or residential support service.

(b) Component values for respite services are:

- (1) competitive workforce factor: 4.7 percent;
- (2) supervisory span of control ratio: 11 percent;
- (3) employee vacation, sick, and training allowance ratio: 8.71 percent;
- (4) employee-related cost ratio: 23.6 percent;
- (5) general administrative support ratio: 13.25 percent;
- (6) program-related expense ratio: 2.9 percent; and
- (7) absence and utilization factor ratio: 3.9 percent.

(c) A unit of service for respite services is 15 minutes.

(d) Payments for respite services must be calculated as follows unless the service is reimbursed separately as part of a residential support services or day program payment rate:

- (1) determine the number of units of service to meet an individual's needs;
- (2) determine the appropriate hourly staff wage rates derived by the commissioner as provided in subdivisions 5 and 5a;
- (3) except for subdivision 5a, clauses (1) to (4), multiply the result of clause (2) by the product of one plus the competitive workforce factor;
- (4) for a recipient requiring deaf and hard-of-hearing customization under subdivision 12, add the customization rate provided in subdivision 12 to the result of clause (3);
- (5) multiply the number of direct staffing hours by the appropriate staff wage;
- (6) multiply the number of direct staffing hours by the product of the supervisory span of control ratio and the appropriate supervisory staff wage in subdivision 5a, clause (1);
- (7) combine the results of clauses (5) and (6), and multiply the result by one plus the employee vacation, sick, and training allowance ratio. This is defined as the direct staffing rate;
- (8) for employee-related expenses, multiply the result of clause (7) by one plus the employee-related cost ratio;
- (9) this is the subtotal rate;
- (10) sum the standard general administrative support ratio, the program-related expense ratio, and the absence and utilization factor ratio;
- (11) divide the result of clause (9) by one minus the result of clause (10). This is the total payment amount;
- (12) for respite services provided in a shared manner, divide the total payment amount in clause (11) by the number of service recipients, not to exceed three; and
- (13) adjust the result of clause (12) by a factor to be determined by the commissioner to adjust for regional differences in the cost of providing services.

**256S.19 MONTHLY CASE MIX BUDGET CAPS; NURSING FACILITY RESIDENTS.**

Subd. 4. **Calculation of monthly conversion budget cap with consumer-directed community supports.** For the elderly waiver monthly conversion budget cap for the cost of elderly waiver services with consumer-directed community supports, the nursing facility case mix adjusted total payment rate used under subdivision 3 to calculate the monthly conversion budget cap for elderly waiver services without consumer-directed community supports must be reduced by a percentage equal to the percentage difference between the consumer-directed community supports budget limit that would be assigned according to the elderly waiver plan and the corresponding monthly case mix budget cap under this chapter, but not to exceed 50 percent.