

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 5335

(SENATE AUTHORS: HOFFMAN)

DATE	D-PG	OFFICIAL STATUS
04/04/2024	13380	Introduction and first reading Referred to Human Services
04/24/2024		Comm report: To pass as amended and re-refer to Finance

1.1 A bill for an act

1.2 relating to human services; the governor's budget bill for human services; modifying

1.3 provisions related to aging, disability services, substance use disorder treatment,

1.4 and the Department of Direct Care and Treatment; making technical changes to

1.5 human services law; establishing a human services contingency fund; adjusting

1.6 appropriations for forecasted programs; appropriating money; amending Minnesota

1.7 Statutes 2022, sections 13.46, subdivisions 1, 10; 145.61, subdivision 5; 246.018,

1.8 subdivision 3; 246.13, subdivision 2; 256.88; 256.89; 256.90; 256.91; 256.92;

1.9 256B.0911, subdivision 20; 256B.0913, subdivision 5a; 256B.69, subdivision 4;

1.10 256S.205, subdivisions 2, 3, 5; Minnesota Statutes 2023 Supplement, sections

1.11 10.65, subdivision 2; 13.46, subdivision 2; 15.01; 15.06, subdivision 1; 15A.082,

1.12 subdivisions 1, 3, 7; 43A.08, subdivisions 1, 1a; 246C.01; 246C.02; 246C.04;

1.13 246C.05; 256.042, subdivision 2; 256.043, subdivision 3; 256B.0911, subdivision

1.14 13; 256B.0913, subdivision 5; 256R.55, subdivision 9; Laws 2023, chapter 61,

1.15 article 4, section 11; article 8, sections 1; 2; 3; 8; article 9, section 2, subdivision

1.16 16, as amended; proposing coding for new law in Minnesota Statutes, chapters

1.17 246C; 256; 256B; 256S; repealing Minnesota Statutes 2022, sections 246.01;

1.18 246.12; 246.234; 246.36; 246.41; 256S.205, subdivision 4; Minnesota Statutes

1.19 2023 Supplement, section 246C.03.

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

1.21 **ARTICLE 1**

1.22 **AGING AND DISABILITY SERVICES**

1.23 Section 1. Minnesota Statutes 2023 Supplement, section 256B.0911, subdivision 13, is

1.24 amended to read:

1.25 Subd. 13. **MnCHOICES assessor qualifications, training, and certification.** (a) The

1.26 commissioner shall develop and implement a curriculum and an assessor certification

1.27 process.

1.28 (b) MnCHOICES certified assessors must:

2.1 (1) either have a bachelor's degree in social work, nursing with a public health nursing
2.2 certificate, or other closely related field or be a registered nurse ~~with at least two years of~~
2.3 ~~home and community-based experience~~; and

2.4 (2) have received training and certification specific to assessment and consultation for
2.5 long-term care services in the state.

2.6 (c) Certified assessors shall demonstrate best practices in assessment and support
2.7 planning, including person-centered planning principles, and have a common set of skills
2.8 that ensures consistency and equitable access to services statewide.

2.9 (d) Certified assessors must be recertified every three years.

2.10 **EFFECTIVE DATE.** This section is effective July 1, 2024.

2.11 Sec. 2. Minnesota Statutes 2022, section 256B.0911, subdivision 20, is amended to read:

2.12 Subd. 20. **MnCHOICES assessments; duration of validity.** (a) An assessment that is
2.13 completed as part of an eligibility determination for multiple programs for the alternative
2.14 care, elderly waiver, developmental disabilities, community access for disability inclusion,
2.15 community alternative care, and brain injury waiver programs under chapter 256S and
2.16 sections 256B.0913, 256B.092, and 256B.49 is valid to establish service eligibility for no
2.17 more than ~~60 calendar~~ 365 days after the date of the assessment.

2.18 (b) The effective eligibility start date for programs in paragraph (a) can never be prior
2.19 to the date of assessment. ~~If an assessment was completed more than 60 days before the~~
2.20 ~~effective waiver or alternative care program eligibility start date, assessment and support~~
2.21 ~~plan information must be updated and documented in the department's Medicaid Management~~
2.22 ~~Information System (MMIS).~~ Notwithstanding retroactive medical assistance coverage of
2.23 state plan services, the effective date of eligibility for programs included in paragraph (a)
2.24 cannot be prior to the completion date of the most recent updated assessment.

2.25 ~~(c) If an eligibility update is completed within 90 days of the previous assessment and~~
2.26 ~~documented in the department's Medicaid Management Information System (MMIS), the~~
2.27 ~~effective date of eligibility for programs included in paragraph (a) is the date of the previous~~
2.28 ~~in-person assessment when all other eligibility requirements are met.~~

2.29 **EFFECTIVE DATE.** This section is effective July 1, 2024.

3.1 Sec. 3. Minnesota Statutes 2023 Supplement, section 256B.0913, subdivision 5, is amended
3.2 to read:

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

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

3.6 (2) home care;

3.7 (3) homemaker services;

3.8 (4) personal care;

3.9 (5) case management and conversion case management;

3.10 (6) respite care;

3.11 (7) specialized supplies and equipment;

3.12 (8) home-delivered meals;

3.13 (9) nonmedical transportation;

3.14 (10) nursing services;

3.15 (11) chore services;

3.16 (12) companion services;

3.17 (13) nutrition services;

3.18 (14) family caregiver training and education;

3.19 (15) coaching and counseling;

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

3.22 (17) consumer-directed community supports;

3.23 (18) environmental accessibility and adaptations; ~~and~~

3.24 (19) transitional services; and

3.25 ~~(19)~~ (20) discretionary services, for which lead agencies may make payment from their
3.26 alternative care program allocation for services not otherwise defined in this section or
3.27 section 256B.0625, following approval by the commissioner.

3.28 Total annual payments for discretionary services for all clients served by a lead agency
3.29 must not exceed 25 percent of that lead agency's annual alternative care program base

4.1 allocation, except that when alternative care services receive federal financial participation
4.2 under the 1115 waiver demonstration, funding shall be allocated in accordance with
4.3 subdivision 17.

4.4 Sec. 4. Minnesota Statutes 2022, section 256B.0913, subdivision 5a, is amended to read:

4.5 Subd. 5a. **Services; service definitions; service standards.** (a) Unless specified in
4.6 statute, the services, service definitions, and standards for alternative care services shall be
4.7 the same as the services, service definitions, and standards specified in the federally approved
4.8 elderly waiver plan, except alternative care does not cover ~~transitional support services,~~
4.9 assisted living services, adult foster care services, and residential care and benefits defined
4.10 under section 256B.0625 that meet primary and acute health care needs.

4.11 (b) The lead agency must ensure that the funds are not used to supplant or supplement
4.12 services available through other public assistance or services programs, including
4.13 supplementation of client co-pays, deductibles, premiums, or other cost-sharing arrangements
4.14 for health-related benefits and services or entitlement programs and services that are available
4.15 to the person, but in which they have elected not to enroll. The lead agency must ensure
4.16 that the benefit department recovery system in the Medicaid Management Information
4.17 System (MMIS) has the necessary information on any other health insurance or third-party
4.18 insurance policy to which the client may have access. Supplies and equipment may be
4.19 purchased from a vendor not certified to participate in the Medicaid program if the cost for
4.20 the item is less than that of a Medicaid vendor.

4.21 (c) Personal care services must meet the service standards defined in the federally
4.22 approved elderly waiver plan, except that a lead agency may authorize services to be provided
4.23 by a client's relative who meets the relative hardship waiver requirements or a relative who
4.24 meets the criteria and is also the responsible party under an individual service plan that
4.25 ensures the client's health and safety and supervision of the personal care services by a
4.26 qualified professional as defined in section 256B.0625, subdivision 19c. Relative hardship
4.27 is established by the lead agency when the client's care causes a relative caregiver to do any
4.28 of the following: resign from a paying job, reduce work hours resulting in lost wages, obtain
4.29 a leave of absence resulting in lost wages, incur substantial client-related expenses, provide
4.30 services to address authorized, unstaffed direct care time, or meet special needs of the client
4.31 unmet in the formal service plan.

4.32 (d) Alternative care covers sign language interpreter services and spoken language
4.33 interpreter services for recipients eligible for alternative care when the services are necessary
4.34 to help deaf and hard-of-hearing recipients or recipients with limited English proficiency

5.1 obtain covered services. Coverage for face-to-face spoken language interpreter services
5.2 shall be provided only if the spoken language interpreter used by the enrolled health care
5.3 provider is listed in the registry or roster established under section 144.058.

5.4 **Sec. 5. [256S.191] ELDERLY WAIVER BUDGET AND RATE EXCEPTIONS;**
5.5 **HIGH-NEED PARTICIPANTS.**

5.6 **Subdivision 1. Eligibility for budget and rate exceptions.** A participant is eligible to
5.7 request an elderly waiver budget and rate exception when:

5.8 (1) hospitalization of the participant is no longer medically necessary but the participant
5.9 has not been discharged to the community due to lack of community care options;

5.10 (2) the participant requires a support plan that exceeds elderly waiver budgets and rates
5.11 due to the participant's specific assessed needs; and

5.12 (3) the participant meets all eligibility criteria for the elderly waiver.

5.13 **Subd. 2. Requests for budget and rate exceptions.** (a) A participant eligible under
5.14 subdivision 1 may request, in a format prescribed by the commissioner, an elderly waiver
5.15 budget and rate exception when requesting an eligibility determination for elderly waiver
5.16 services. The participant may request an exception to the elderly waiver case mix caps, the
5.17 customized living service rate limits, service rates, or any combination of the three.

5.18 (b) The participant must document in the request that the participant's needs cannot be
5.19 met within the existing case mix caps, customized living service rate limits, or service rates
5.20 and how an exception to any of the three will meet the participant's needs.

5.21 (c) The participant must include in the request the basis for the underlying costs used to
5.22 determine the overall cost of the proposed service plan.

5.23 (d) The commissioner must respond to all exception requests, whether the request is
5.24 granted, denied, or granted as modified. The commissioner must include in the response
5.25 the basis for the action and provide notification of the right to appeal.

5.26 (e) Participants granted exceptions under this section must apply annually in a format
5.27 prescribed by the commissioner to continue or modify the exception.

5.28 (f) A participant no longer qualifies for an exception when the participant's needs can
5.29 be met within standard elderly waiver budgets and rates.

6.1 Sec. 6. Minnesota Statutes 2022, section 256S.205, subdivision 2, is amended to read:

6.2 Subd. 2. **Rate adjustment application.** (a) Effective through September 30, 2023, a
6.3 facility may apply to the commissioner for designation as a disproportionate share facility.
6.4 Applications must be submitted annually between September 1 and September 30. The
6.5 applying facility must apply in a manner determined by the commissioner. The applying
6.6 facility must document each of the following on the application:

6.7 (1) the number of customized living residents in the facility on September 1 of the
6.8 application year, broken out by specific waiver program; and

6.9 (2) the total number of people residing in the facility on September 1 of the application
6.10 year.

6.11 (b) Effective October 1, 2023, the commissioner must not process any further applications
6.12 for disproportionate share facilities after the September 1 through September 30, 2023,
6.13 application period.

6.14 (c) This subdivision expires January 1, 2025.

6.15 Sec. 7. Minnesota Statutes 2022, section 256S.205, subdivision 3, is amended to read:

6.16 Subd. 3. **Rate adjustment eligibility criteria.** (a) Effective through September 30, 2023,
6.17 only facilities satisfying all of the following conditions on September 1 of the application
6.18 year are eligible for designation as a disproportionate share facility:

6.19 (1) at least 83.5 percent of the residents of the facility are customized living residents;
6.20 and

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

6.22 (b) This subdivision expires January 1, 2025.

6.23 Sec. 8. Minnesota Statutes 2022, section 256S.205, subdivision 5, is amended to read:

6.24 Subd. 5. **Rate adjustment; rate floor.** (a) Effective through December 31, 2024,
6.25 notwithstanding the 24-hour customized living monthly service rate limits under section
6.26 256S.202, subdivision 2, and the component service rates established under section 256S.201,
6.27 subdivision 4, the commissioner must establish a rate floor equal to \$119 per resident per
6.28 day for 24-hour customized living services provided to an elderly waiver participant in a
6.29 designated disproportionate share facility.

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

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

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

7.7 (e) This subdivision expires January 1, 2025.

7.8 **Sec. 9. DISABILITY HOME AND COMMUNITY-BASED SERVICES**
7.9 **REIMBURSEMENT IN ACUTE CARE HOSPITAL STAYS.**

7.10 (a) The commissioner of human services must seek approval to amend Minnesota's
7.11 federally approved disability waiver plans under Minnesota Statutes, sections 256B.49 and
7.12 256B.092, to reimburse for delivery of unit-based services under Minnesota Statutes, section
7.13 256B.4914, in acute care hospital settings, as authorized under United States Code, title 42,
7.14 section 1396a(h).

7.15 (b) Reimbursed services must:

7.16 (1) be identified in an individual's person-centered support plan as required under
7.17 Minnesota Statutes, section 256B.0911;

7.18 (2) be provided to meet the needs of the person that are not met through the provision
7.19 of hospital services;

7.20 (3) not substitute services that the hospital is obligated to provide as required under state
7.21 and federal law; and

7.22 (4) be designed to ensure smooth transitions between acute care settings and home and
7.23 community-based settings and to preserve the person's functional abilities.

7.24 **EFFECTIVE DATE.** Paragraph (b) is effective January 1, 2025, or upon federal
7.25 approval, whichever is later. The commissioner of human services shall notify the revisor
7.26 of statutes when federal approval is obtained.

7.27 **Sec. 10. HOME CARE AND COMMUNITY FIRST SERVICES AND SUPPORTS**
7.28 **HOSPITAL TRANSITION MEDICAL ASSISTANCE BENEFIT.**

7.29 (a) The commissioner of human services must develop a Medicaid state plan service for
7.30 people eligible for home care services as identified in Minnesota Statutes, section 256B.0651,
7.31 and community first services and supports as identified in Minnesota Statutes, section

8.1 256B.85, for the purpose of transition support to and from acute care hospital settings, as
8.2 authorized under United States Code, title 42, section 1396a(h).

8.3 (b) By January 1, 2025, the commissioner must report to the chairs and ranking minority
8.4 members of the legislative committees with jurisdiction over health and human services
8.5 finance and policy with the recommended medical assistance service design and draft
8.6 legislation with statutory changes necessary to implement the service.

8.7 **EFFECTIVE DATE.** This section is effective July 1, 2024.

8.8 **Sec. 11. TRIBAL VULNERABLE ADULT AND DEVELOPMENTAL DISABILITY**
8.9 **TARGETED CASE MANAGEMENT MEDICAL ASSISTANCE BENEFIT.**

8.10 (a) The commissioner of human services must engage with Minnesota's
8.11 federally-recognized Tribal Nations and urban American Indian providers and leaders to
8.12 design and recommend a Tribal-specific vulnerable adult and developmental disability
8.13 medical assistance targeted case management benefit to meet community needs and reduce
8.14 disparities experienced by Tribal members and urban American Indian populations. The
8.15 commissioner must honor and uphold Tribal sovereignty as part of this engagement, ensuring
8.16 Tribal Nations are equitably and authentically included in planning and policy discussions.

8.17 (b) By January 1, 2025, the commissioner must report recommendations to the chairs
8.18 and ranking minority members of the legislative committees with jurisdiction over health
8.19 and human services finance and policy. Recommendations must include a description of
8.20 engagement with Tribal Nations, Tribal perspectives shared throughout the engagement
8.21 process, service design, and reimbursement methodology.

8.22 **EFFECTIVE DATE.** This section is effective July 1, 2024.

8.23 **Sec. 12. DIRECTION TO COMMISSIONER; HOME AND COMMUNITY-BASED**
8.24 **SERVICES SYSTEM REFORM ANALYSIS.**

8.25 (a) The commissioner must study Minnesota's existing home and community-based
8.26 services system for older adults and evaluate options to meet the needs of older adults with
8.27 high support needs that cannot be addressed by services or individual participant budgets
8.28 available under the elderly waiver. The commissioner must propose reforms to the home
8.29 and community-based services system to meet the following goals:

8.30 (1) address the needs of older adults with high support needs, including older adults with
8.31 high support needs currently residing in the community;

9.1 (2) develop provider capacity to meet the needs of older adults with high support needs;
 9.2 and

9.3 (3) ensure access to a full range of services and supports necessary to address the needs
 9.4 of older adults with high support needs.

9.5 (b) The commissioner must submit a report with recommendations to meet the goals in
 9.6 paragraph (a) to the chairs and ranking minority members of the legislative committees with
 9.7 jurisdiction over human services finance and policy by December 31, 2025.

9.8 Sec. 13. **REPEALER.**

9.9 Minnesota Statutes 2022, section 256S.205, subdivision 4, is repealed.

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

9.11 **ARTICLE 2**

9.12 **SUBSTANCE USE DISORDER SERVICES**

9.13 Section 1. Minnesota Statutes 2023 Supplement, section 256.042, subdivision 2, is amended
 9.14 to read:

9.15 Subd. 2. **Membership.** (a) The council shall consist of the following 20 voting members,
 9.16 appointed by the commissioner of human services except as otherwise specified, and ~~three~~
 9.17 four nonvoting members:

9.18 (1) two members of the house of representatives, appointed in the following sequence:
 9.19 the first from the majority party appointed by the speaker of the house and the second from
 9.20 the minority party appointed by the minority leader. Of these two members, one member
 9.21 must represent a district outside of the seven-county metropolitan area, and one member
 9.22 must represent a district that includes the seven-county metropolitan area. The appointment
 9.23 by the minority leader must ensure that this requirement for geographic diversity in
 9.24 appointments is met;

9.25 (2) two members of the senate, appointed in the following sequence: the first from the
 9.26 majority party appointed by the senate majority leader and the second from the minority
 9.27 party appointed by the senate minority leader. Of these two members, one member must
 9.28 represent a district outside of the seven-county metropolitan area and one member must
 9.29 represent a district that includes the seven-county metropolitan area. The appointment by
 9.30 the minority leader must ensure that this requirement for geographic diversity in appointments
 9.31 is met;

- 10.1 (3) one member appointed by the Board of Pharmacy;
- 10.2 (4) one member who is a physician appointed by the Minnesota Medical Association;
- 10.3 (5) one member representing opioid treatment programs, sober living programs, or
10.4 substance use disorder programs licensed under chapter 245G;
- 10.5 (6) one member appointed by the Minnesota Society of Addiction Medicine who is an
10.6 addiction psychiatrist;
- 10.7 (7) one member representing professionals providing alternative pain management
10.8 therapies, including, but not limited to, acupuncture, chiropractic, or massage therapy;
- 10.9 (8) one member representing nonprofit organizations conducting initiatives to address
10.10 the opioid epidemic, with the commissioner's initial appointment being a member
10.11 representing the Steve Rummler Hope Network, and subsequent appointments representing
10.12 this or other organizations;
- 10.13 (9) one member appointed by the Minnesota Ambulance Association who is serving
10.14 with an ambulance service as an emergency medical technician, advanced emergency
10.15 medical technician, or paramedic;
- 10.16 (10) one member representing the Minnesota courts who is a judge or law enforcement
10.17 officer;
- 10.18 (11) one public member who is a Minnesota resident and who is in opioid addiction
10.19 recovery;
- 10.20 (12) two members representing Indian tribes, one representing the Ojibwe tribes and
10.21 one representing the Dakota tribes;
- 10.22 (13) one member representing an urban American Indian community;
- 10.23 (14) one public member who is a Minnesota resident and who is suffering from chronic
10.24 pain, intractable pain, or a rare disease or condition;
- 10.25 (15) one mental health advocate representing persons with mental illness;
- 10.26 (16) one member appointed by the Minnesota Hospital Association;
- 10.27 (17) one member representing a local health department; ~~and~~
- 10.28 (18) the commissioners of human services, health, and corrections, or their designees,
10.29 who shall be ex officio nonvoting members of the council; and

11.1 (19) the director of the Office of Addiction and Recovery, as specified under section
11.2 4.046, subdivision 6, or their designee, who shall be an ex officio nonvoting member of the
11.3 council.

11.4 (b) The commissioner of human services shall coordinate the commissioner's
11.5 appointments to provide geographic, racial, and gender diversity, and shall ensure that at
11.6 least one-third of council members appointed by the commissioner reside outside of the
11.7 seven-county metropolitan area. Of the members appointed by the commissioner, to the
11.8 extent practicable, at least one member must represent a community of color
11.9 disproportionately affected by the opioid epidemic.

11.10 (c) The council is governed by section 15.059, except that members of the council shall
11.11 serve three-year terms and shall receive no compensation other than reimbursement for
11.12 expenses. Notwithstanding section 15.059, subdivision 6, the council shall not expire.

11.13 (d) The chair shall convene the council at least quarterly, and may convene other meetings
11.14 as necessary. The chair shall convene meetings at different locations in the state to provide
11.15 geographic access, and shall ensure that at least one-half of the meetings are held at locations
11.16 outside of the seven-county metropolitan area.

11.17 (e) The commissioner of human services shall provide staff and administrative services
11.18 for the advisory council.

11.19 (f) The council is subject to chapter 13D.

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

11.21 Sec. 2. Minnesota Statutes 2023 Supplement, section 256.043, subdivision 3, is amended
11.22 to read:

11.23 **Subd. 3. Appropriations from registration and license fee account.** (a) The
11.24 appropriations in paragraphs (b) to (n) shall be made from the registration and license fee
11.25 account on a fiscal year basis in the order specified.

11.26 (b) The appropriations specified in Laws 2019, chapter 63, article 3, section 1, paragraphs
11.27 (b), (f), (g), and (h), as amended by Laws 2020, chapter 115, article 3, section 35, shall be
11.28 made accordingly.

11.29 (c) \$100,000 is appropriated to the commissioner of human services for grants for opiate
11.30 antagonist distribution. Grantees may utilize funds for opioid overdose prevention,
11.31 community asset mapping, education, and opiate antagonist distribution.

12.1 (d) \$2,000,000 is appropriated to the commissioner of human services for grants to Tribal
12.2 nations and five urban Indian communities for traditional healing practices for American
12.3 Indians and to increase the capacity of culturally specific providers in the behavioral health
12.4 workforce.

12.5 (e) \$400,000 is appropriated to the commissioner of human services for competitive
12.6 grants for opioid-focused Project ECHO programs.

12.7 (f) \$277,000 in fiscal year 2024 and \$321,000 each year thereafter is appropriated to the
12.8 commissioner of human services to administer the funding distribution and reporting
12.9 requirements in paragraph (o).

12.10 (g) \$3,000,000 in fiscal year 2025 and \$3,000,000 each year thereafter is appropriated
12.11 to the commissioner of human services for safe recovery sites start-up and capacity building
12.12 grants under section 254B.18.

12.13 (h) \$395,000 in fiscal year 2024 and \$415,000 each year thereafter is appropriated to
12.14 the commissioner of human services for the opioid overdose surge alert system under section
12.15 245.891.

12.16 (i) \$300,000 is appropriated to the commissioner of management and budget for
12.17 evaluation activities under section 256.042, subdivision 1, paragraph (c).

12.18 (j) \$261,000 is appropriated to the commissioner of human services for the provision of
12.19 administrative services to the Opiate Epidemic Response Advisory Council and for the
12.20 administration of the grants awarded under paragraph (n).

12.21 (k) \$126,000 is appropriated to the Board of Pharmacy for the collection of the registration
12.22 fees under section 151.066.

12.23 (l) \$672,000 is appropriated to the commissioner of public safety for the Bureau of
12.24 Criminal Apprehension. Of this amount, \$384,000 is for drug scientists and lab supplies
12.25 and \$288,000 is for special agent positions focused on drug interdiction and drug trafficking.

12.26 (m) After the appropriations in paragraphs (b) to (l) are made, 50 percent of the remaining
12.27 amount is appropriated to the commissioner of human services for distribution to county
12.28 social service agencies and Tribal social service agency initiative projects authorized under
12.29 section 256.01, subdivision 14b, to provide prevention and child protection services to
12.30 children and families who are affected by addiction. The commissioner shall distribute this
12.31 money proportionally to county social service agencies and Tribal social service agency
12.32 initiative projects through a formula based on intake data from the previous three calendar
12.33 years related to substance use and out-of-home placement episodes where parental drug

13.1 abuse is ~~the primary~~ a reason for the out-of-home placement ~~using data from the previous~~
 13.2 ~~calendar year~~. County social service agencies and Tribal social service agency initiative
 13.3 projects receiving funds from the opiate epidemic response fund must annually report to
 13.4 the commissioner on how the funds were used to provide prevention and child protection
 13.5 services, including measurable outcomes, as determined by the commissioner. County social
 13.6 service agencies and Tribal social service agency initiative projects must not use funds
 13.7 received under this paragraph to supplant current state or local funding received for child
 13.8 protection services for children and families who are affected by addiction.

13.9 (n) After the appropriations in paragraphs (b) to (m) are made, the remaining amount in
 13.10 the account is appropriated to the commissioner of human services to award grants as
 13.11 specified by the Opiate Epidemic Response Advisory Council in accordance with section
 13.12 256.042, unless otherwise appropriated by the legislature.

13.13 (o) Beginning in fiscal year 2022 and each year thereafter, funds for county social service
 13.14 agencies and Tribal social service agency initiative projects under paragraph (m) and grant
 13.15 funds specified by the Opiate Epidemic Response Advisory Council under paragraph (n)
 13.16 may be distributed on a calendar year basis.

13.17 (p) Notwithstanding section 16A.28, subdivision 3, funds appropriated in paragraphs
 13.18 (c), (d), (e), (g), (m), and (n) are available for three years after the funds are appropriated.

13.19 Sec. 3. **[256B.0761] REENTRY DEMONSTRATION WAIVER.**

13.20 Subdivision 1. Establishment. The commissioner must submit a waiver application to
 13.21 the Centers for Medicare and Medicaid Services to implement a medical assistance
 13.22 demonstration project to provide health care and coordination services that bridge to
 13.23 community-based services for individuals confined in state, local, or Tribal correctional
 13.24 facilities prior to community reentry. The demonstration must be designed to:

13.25 (1) increase continuity of coverage;

13.26 (2) improve access to health care services, including mental, physical, and substance
 13.27 use disorder services;

13.28 (3) enhance coordination between Medicaid systems, health and human services systems,
 13.29 correctional systems, and community-based providers;

13.30 (4) reduce overdoses and deaths following release;

13.31 (5) decrease disparities in overdoses and deaths following release; and

13.32 (6) maximize health and overall community reentry outcomes.

14.1 Subd. 2. **Eligible individuals.** Notwithstanding section 256B.055, subdivision 14,
14.2 individuals are eligible to receive services under this demonstration if they are eligible under
14.3 section 256B.055, subdivision 3a, 6, 7, 7a, 9, 15, 16, or 17, as determined by the
14.4 commissioner in collaboration with correctional facilities, local governments, and Tribal
14.5 governments.

14.6 Subd. 3. **Eligible correctional facilities.** (a) The commissioner's waiver application is
14.7 limited to:

14.8 (1) three state correctional facilities to be determined by the commissioner of corrections,
14.9 one of which must be a women's facility;

14.10 (2) two local juvenile facilities, identified in coordination with the Minnesota Juvenile
14.11 Detention Association and the Minnesota Sheriffs' Association;

14.12 (3) four local adult correctional facilities identified in coordination with the Minnesota
14.13 Sheriff's Association and the Association of Minnesota Counties; and

14.14 (4) one correctional facility owned and managed by a Tribal government.

14.15 (b) Additional facilities may be added contingent on legislative authorization and
14.16 appropriations.

14.17 Subd. 4. **Services and duration.** (a) Services must be provided 90 days prior to an
14.18 individual's release date or, if an individual's confinement is less than 90 days, during the
14.19 time period between medical assistance eligibility determination and release to the
14.20 community.

14.21 (b) Facilities must offer the following services using either community-based or
14.22 corrections-based providers:

14.23 (1) case management activities to address physical and behavioral health needs, including
14.24 a comprehensive assessment of individual needs, development of a person-centered care
14.25 plan, referrals and other activities to address assessed needs, and monitoring and follow-up
14.26 activities;

14.27 (2) drug coverage in accordance with section 256B.0625, including up to a 30-day supply
14.28 of drugs upon release;

14.29 (3) substance use disorder comprehensive assessments according to section 254B.05,
14.30 subdivision 5, paragraph (b), clause (2);

14.31 (4) treatment coordination services according to section 254B.05, subdivision 5, paragraph
14.32 (b), clause (3);

15.1 (5) peer recovery support services according to sections 245I.04, subdivisions 18 and
15.2 19, and 254B.05, subdivision 5, paragraph (b), clause (4);

15.3 (6) substance use disorder individual and group counseling provided according to sections
15.4 245G.07, subdivision 1, paragraph (a), clause (1); 245G.11, subdivision 5; and 254B.05;

15.5 (7) mental health diagnostic assessment as required under section 245I.10;

15.6 (8) group and individual psychotherapy as required under section 256B.0671;

15.7 (9) peer specialist services, as required under sections 245I.04 and 256B.0615;

15.8 (10) family planning and obstetrics and gynecology; and

15.9 (11) physical health well-being and screenings and care for adults and youth.

15.10 (c) Services outlined in this subdivision may only be authorized when an individual
15.11 demonstrates medical necessity or other eligibility as required under chapter 256B or
15.12 applicable state and federal laws.

15.13 Subd. 5. **Provider requirements and standards.** (a) Service providers must adhere to
15.14 applicable licensing and provider requirements under chapters 245A, 245G, 245I, 254B,
15.15 256B, and 256I.

15.16 (b) Service providers must be enrolled to provide services under Minnesota health care
15.17 programs.

15.18 (c) Services may be provided by eligible providers employed by the correctional facility
15.19 or by eligible community providers under contract with the correctional facility.

15.20 (d) The commissioner must determine whether each facility is ready to participate in
15.21 this demonstration based on a facility-submitted assessment of the facility's readiness to
15.22 implement:

15.23 (1) prerelease medical assistance application and enrollment processes for inmates not
15.24 enrolled in medical assistance coverage;

15.25 (2) the provision or facilitation of all required prerelease services for a period of up to
15.26 90 days prior to release;

15.27 (3) coordination among county and Tribal human services agencies and all other entities
15.28 with a role in furnishing health care and supports to address health-related social needs;

15.29 (4) appropriate reentry planning, prerelease care management, and assistance with care
15.30 transitions to the community;

16.1 (5) operational approaches to implementing certain Medicaid and Children Health
16.2 Insurance Program requirements, including applications, suspensions, notices, fair hearings,
16.3 and reasonable promptness for coverage of services;

16.4 (6) a data exchange process to support care coordination and transition activities; and

16.5 (7) reporting of all requested data to the commissioner of human services to support
16.6 program monitoring, evaluation, oversight, and all financial data to meet reinvestment
16.7 requirements.

16.8 (d) Participating facilities must detail reinvestment plans for all new federal Medicaid
16.9 funds expended for reentry services that were previously the responsibility of each facility
16.10 and provide detailed financial reports to the commissioner.

16.11 Subd. 6. **Payment rates.** (a) Payment rates for services under this section that are
16.12 approved under Minnesota's state plan agreement with the Centers for Medicare and Medicaid
16.13 Services are equal to current and applicable state law and federal requirements.

16.14 (b) Case management payment rates are equal to rates authorized by the commissioner
16.15 for relocation targeted case management under section 245B.0621, subdivision 10.

16.16 (c) Claims for covered drugs purchased through discount purchasing programs, such as
16.17 the Federal Supply Schedule (FSS) of the United States General Services Administration
16.18 or the MMCAP Infuse program, shall be at no more than the actual acquisition cost plus
16.19 the professional dispensing fee in section 256B.0625, subdivision 13e. Drugs administered
16.20 to members must be billed on a professional claim in accordance with section 256B.0625,
16.21 subdivision 13e, paragraph (e), and submitted with the actual acquisition cost for the drug
16.22 on the claim line. Pharmacy claims must be submitted with the actual acquisition cost as
16.23 the ingredient cost field and the dispensing fee in section 256B.0625, subdivision 13e, in
16.24 the dispensing fee field on the claim with the basis of cost indicator of "08." Providers may
16.25 establish written protocols for establishing or calculating the facility's actual acquisition
16.26 drug cost based on a monthly, quarterly, or other average of the facility's actual acquisition
16.27 drug cost through the discount purchasing program. A written protocol may not include an
16.28 inflation, markup, spread, or margin to be added to the provider's actual purchase price after
16.29 subtracting all discounts.

16.30 Subd. 7. **Reentry services work group.** (a) The commissioner of human services, in
16.31 collaboration with the commissioner of corrections, must convene a reentry services work
16.32 group to consider ways to improve the demonstration under this section and related policies
16.33 for justice-involved individuals.

17.1 (b) The work group must have balanced representation, including: people with lived
17.2 experience and representatives from community health care providers, the Minnesota Sheriffs'
17.3 Association, the Minnesota Association for County Social Service Administrators, the
17.4 Association of Minnesota Counties, the Minnesota Juvenile Detention Association, the
17.5 Office of Addiction and Recovery, Minnesota NAMI, Tribal Nations, and Minnesota Alliance
17.6 of Recovery Community Organizations.

17.7 (c) The work group must:

17.8 (1) advise on the waiver application, implementation, monitoring, evaluation and
17.9 reinvestment plans;

17.10 (2) recommend strategies to improve processes that ensure notifications of the individual's
17.11 release date, current location, postrelease location, and other relevant information are
17.12 provided to state, county, and Tribal eligibility systems and managed care organizations;

17.13 (3) consider the value of expanding, replicating, or adapting the components of the
17.14 demonstration authorized under this section to additional populations; and

17.15 (4) recommend ideas to fund expanded reentry services.

17.16 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,
17.17 whichever is later.

17.18 Sec. 4. Minnesota Statutes 2022, section 256B.69, subdivision 4, is amended to read:

17.19 Subd. 4. **Limitation of choice.** (a) The commissioner shall develop criteria to determine
17.20 when limitation of choice may be implemented in the experimental counties. The criteria
17.21 shall ensure that all eligible individuals in the county have continuing access to the full
17.22 range of medical assistance services as specified in subdivision 6.

17.23 (b) The commissioner shall exempt the following persons from participation in the
17.24 project, in addition to those who do not meet the criteria for limitation of choice:

17.25 (1) persons eligible for medical assistance according to section 256B.055, subdivision
17.26 1;

17.27 (2) persons eligible for medical assistance due to blindness or disability as determined
17.28 by the Social Security Administration or the state medical review team, unless:

17.29 (i) they are 65 years of age or older; or

18.1 (ii) they reside in Itasca County or they reside in a county in which the commissioner
18.2 conducts a pilot project under a waiver granted pursuant to section 1115 of the Social
18.3 Security Act;

18.4 (3) recipients who currently have private coverage through a health maintenance
18.5 organization;

18.6 (4) recipients who are eligible for medical assistance by spending down excess income
18.7 for medical expenses other than the nursing facility per diem expense;

18.8 (5) recipients who receive benefits under the Refugee Assistance Program, established
18.9 under United States Code, title 8, section 1522(e);

18.10 (6) children who are both determined to be severely emotionally disturbed and receiving
18.11 case management services according to section 256B.0625, subdivision 20, except children
18.12 who are eligible for and who decline enrollment in an approved preferred integrated network
18.13 under section 245.4682;

18.14 (7) adults who are both determined to be seriously and persistently mentally ill and
18.15 received case management services according to section 256B.0625, subdivision 20;

18.16 (8) persons eligible for medical assistance according to section 256B.057, subdivision
18.17 10;

18.18 (9) persons with access to cost-effective employer-sponsored private health insurance
18.19 or persons enrolled in a non-Medicare individual health plan determined to be cost-effective
18.20 according to section 256B.0625, subdivision 15; ~~and~~

18.21 (10) persons who are absent from the state for more than 30 consecutive days but still
18.22 deemed a resident of Minnesota, identified in accordance with section 256B.056, subdivision
18.23 1, paragraph (b); and

18.24 (11) persons who are enrolled in the reentry demonstration wavier under 256B.0761.

18.25 Children under age 21 who are in foster placement may enroll in the project on an elective
18.26 basis. Individuals excluded under clauses (1), (6), and (7) may choose to enroll on an elective
18.27 basis. The commissioner may enroll recipients in the prepaid medical assistance program
18.28 for seniors who are (1) age 65 and over, and (2) eligible for medical assistance by spending
18.29 down excess income.

18.30 (c) The commissioner may allow persons with a one-month spenddown who are otherwise
18.31 eligible to enroll to voluntarily enroll or remain enrolled, if they elect to prepay their monthly
18.32 spenddown to the state.

19.1 (d) The commissioner may require those individuals to enroll in the prepaid medical
19.2 assistance program who otherwise would have been excluded under paragraph (b), clauses
19.3 (1), (3), and (8), and under Minnesota Rules, part 9500.1452, subpart 2, items H, K, and L.

19.4 (e) Before limitation of choice is implemented, eligible individuals shall be notified and
19.5 after notification, shall be allowed to choose only among demonstration providers. The
19.6 commissioner may assign an individual with private coverage through a health maintenance
19.7 organization, to the same health maintenance organization for medical assistance coverage,
19.8 if the health maintenance organization is under contract for medical assistance in the
19.9 individual's county of residence. After initially choosing a provider, the recipient is allowed
19.10 to change that choice only at specified times as allowed by the commissioner. If a
19.11 demonstration provider ends participation in the project for any reason, a recipient enrolled
19.12 with that provider must select a new provider but may change providers without cause once
19.13 more within the first 60 days after enrollment with the second provider.

19.14 (f) An infant born to a woman who is eligible for and receiving medical assistance and
19.15 who is enrolled in the prepaid medical assistance program shall be retroactively enrolled to
19.16 the month of birth in the same managed care plan as the mother once the child is enrolled
19.17 in medical assistance unless the child is determined to be excluded from enrollment in a
19.18 prepaid plan under this section.

19.19 **Sec. 5. CAPACITY-BUILDING AND IMPLEMENTATION GRANTS FOR THE**
19.20 **MEDICAL ASSISTANCE REENTRY DEMONSTRATION.**

19.21 The commissioner must establish capacity-building grants for eligible local correctional
19.22 facilities as they prepare to implement reentry demonstrations services under Minnesota
19.23 Statutes, section 256B.0761. Allowable expenditures under this grant include: expenses to
19.24 develop, in coordination with incarcerated individuals and community members with lived
19.25 experience, processes and protocols; establishment or modification of IT systems to support
19.26 implementation; personnel costs; and other expenses as determined by the commissioner.

19.27 **EFFECTIVE DATE.** This section is effective July 1, 2024.

19.28 **Sec. 6. 1115 WAIVER FOR MEDICAL ASSISTANCE REENTRY**
19.29 **DEMONSTRATION.**

19.30 The commissioner of human services must submit an application to the United States
19.31 Secretary of Health and Human Services to implement a medical assistance reentry
19.32 demonstration that covers services for incarcerated individuals, as described under Minnesota

20.1 Statutes, section 256B.0671. Coverage of prerelease services is contingent on federal approval
20.2 of the demonstration and the required implementation and reinvestment plans.

20.3 **EFFECTIVE DATE.** This section is effective July 1, 2024.

20.4 **ARTICLE 3**

20.5 **DIRECT CARE AND TREATMENT**

20.6 Section 1. **MENTALLY ILL AND DANGEROUS CIVIL COMMITMENT REFORM**
20.7 **TASK FORCE.**

20.8 Subdivision 1. **Establishment; purpose.** The Mentally Ill and Dangerous Civil
20.9 Commitment Reform Task Force is established to evaluate current statutes related to mentally
20.10 ill and dangerous civil commitments and develop recommendations to optimize the use of
20.11 state-operated mental health resources and increase equitable access and outcomes for
20.12 patients.

20.13 Subd. 2. **Membership.** (a) The Mentally Ill and Dangerous Civil Commitment Reform
20.14 Task Force consists of the members appointed as follows:

20.15 (1) the commissioner of human services or a designee;

20.16 (2) two members representing the Department of Direct Care and Treatment who have
20.17 experience with mentally ill and dangerous civil commitments, appointed by the
20.18 commissioner of human services;

20.19 (3) the ombudsman for mental health and developmental disabilities;

20.20 (4) a judge with experience presiding over mentally ill and dangerous civil commitments,
20.21 appointed by the state court administrator;

20.22 (5) a court examiner with experience participating in mentally ill and dangerous civil
20.23 commitments, appointed by the state court administrator;

20.24 (6) a member of the Special Review Board, appointed by the state court administrator;

20.25 (7) a county representative, appointed by the Association of Minnesota Counties;

20.26 (8) a representative appointed by the Minnesota Association of County Social Service
20.27 Administrators;

20.28 (9) a county attorney with experience participating in mentally ill and dangerous civil
20.29 commitments, appointed by the Minnesota County Attorneys Association;

21.1 (10) an attorney with experience representing respondents in mentally ill and dangerous
21.2 civil commitments, appointed by the governor;

21.3 (11) a member appointed by the Minnesota Association of Community Mental Health
21.4 Programs;

21.5 (12) a member appointed by the National Alliance on Mental Illness Minnesota;

21.6 (13) a licensed independent practitioner with experience treating individuals subject to
21.7 a mentally ill and dangerous civil commitment; and

21.8 (14) an individual with lived experience under civil commitment as mentally ill and
21.9 dangerous and is on a provisional discharge or has been discharged from commitment.

21.10 (b) A member of the legislature may not serve as a member of the task force.

21.11 (c) Appointments to the task force must be made no later than July 30, 2024.

21.12 Subd. 3. **Compensation; removal; vacancy.** (a) Notwithstanding Minnesota Statutes,
21.13 section 15.059, subdivision 6, members of the task force may be compensated as provided
21.14 under Minnesota Statutes, section 15.059, subdivision 3.

21.15 (b) A member may be removed by the appointing authority at any time at the pleasure
21.16 of the appointing authority. In the case of a vacancy on the task force, the appointing authority
21.17 shall appoint an individual to fill the vacancy for the remainder of the unexpired term.

21.18 Subd. 4. **Officers; meetings.** (a) The commissioner of human services shall convene
21.19 the first meeting of the task force no later than September 1, 2024.

21.20 (b) The task force must elect a chair and vice-chair from among its members and may
21.21 elect other officers as necessary.

21.22 (c) The task force is subject to Minnesota Statutes, chapter 13D.

21.23 Subd. 5. **Staff.** The commissioner of human services must provide staff assistance to
21.24 support the work of the task force.

21.25 Subd. 6. **Data usage and privacy.** Any data provided by executive agencies as part of
21.26 the work and report of the task force are subject to the requirements of Minnesota Statutes,
21.27 chapter 13, and all other applicable data privacy laws.

21.28 Subd. 7. **Duties.** The task force must:

21.29 (1) analyze current trends in mentally ill and dangerous civil commitments, including
21.30 but not limited to the length of stay for individuals committed in Minnesota as compared
21.31 to other jurisdictions;

22.1 (2) review national practices and criteria for civil commitment of individuals who have
 22.2 a mental illness and represent a danger to the public;

22.3 (3) develop recommended statutory changes necessary to provide services to the high
 22.4 number of mentally ill and dangerous civilly committed individuals;

22.5 (4) develop funding and statutory recommendations for alternatives to the current mentally
 22.6 ill and dangerous civil commitment process;

22.7 (5) identify what types of placements and services are necessary to serve individuals
 22.8 civilly committed as mentally ill and dangerous in the community;

22.9 (6) make recommendations to reduce barriers to discharge from the forensic mental
 22.10 health program for individuals civilly committed as mentally ill and dangerous;

22.11 (7) develop recommended plain language statutory changes to clarify operational
 22.12 definitions for terms used within Minnesota Statutes, section 253B.18;

22.13 (8) develop recommended statutory changes to provide clear direction to the
 22.14 commissioner of human services and facilities to which individuals are civilly committed
 22.15 to address situations in which an individual is committed as mentally ill and dangerous and
 22.16 is later determined to not have an organic disorder of the brain or a substantial psychiatric
 22.17 disorder of thought, mood, perception, orientation, or memory; and

22.18 (9) evaluate and make statutory and funding recommendations for the voluntary return
 22.19 of individuals civilly committed as mentally ill and dangerous to community facilities.

22.20 Subd. 8. **Report required.** By August 1, 2025, the task force shall submit to the chairs
 22.21 and ranking minority members of the legislative committees with jurisdiction over mentally
 22.22 ill and dangerous civil commitments a written report that includes the outcome of the duties
 22.23 in subdivision 7, including but not limited to recommended statutory changes.

22.24 Subd. 9. **Expiration.** The task force expires January 1, 2026.

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

22.26 **ARTICLE 4**

22.27 **DIRECT CARE AND TREATMENT AGENCY**

22.28 Section 1. Minnesota Statutes 2023 Supplement, section 10.65, subdivision 2, is amended
 22.29 to read:

22.30 Subd. 2. **Definitions.** As used in this section, the following terms have the meanings
 22.31 given:

23.1 (1) "agency" means the Department of Administration; Department of Agriculture;
23.2 Department of Children, Youth, and Families; Department of Commerce; Department of
23.3 Corrections; Department of Education; Department of Employment and Economic
23.4 Development; Department of Health; Office of Higher Education; Housing Finance Agency;
23.5 Department of Human Rights; Department of Human Services; Department of Information
23.6 Technology Services; Department of Iron Range Resources and Rehabilitation; Department
23.7 of Labor and Industry; Minnesota Management and Budget; Bureau of Mediation Services;
23.8 Department of Military Affairs; Metropolitan Council; Department of Natural Resources;
23.9 Pollution Control Agency; Department of Public Safety; Department of Revenue; Department
23.10 of Transportation; Department of Veterans Affairs; Direct Care and Treatment; Gambling
23.11 Control Board; Racing Commission; the Minnesota Lottery; the Animal Health Board; and
23.12 the Board of Water and Soil Resources;

23.13 (2) "consultation" means the direct and interactive involvement of the Minnesota Tribal
23.14 governments in the development of policy on matters that have Tribal implications.
23.15 Consultation is the proactive, affirmative process of identifying and seeking input from
23.16 appropriate Tribal governments and considering their interest as a necessary and integral
23.17 part of the decision-making process. This definition adds to statutorily mandated notification
23.18 procedures. During a consultation, the burden is on the agency to show that it has made a
23.19 good faith effort to elicit feedback. Consultation is a formal engagement between agency
23.20 officials and the governing body or bodies of an individual Minnesota Tribal government
23.21 that the agency or an individual Tribal government may initiate. Formal meetings or
23.22 communication between top agency officials and the governing body of a Minnesota Tribal
23.23 government is a necessary element of consultation;

23.24 (3) "matters that have Tribal implications" means rules, legislative proposals, policy
23.25 statements, or other actions that have substantial direct effects on one or more Minnesota
23.26 Tribal governments, or on the distribution of power and responsibilities between the state
23.27 and Minnesota Tribal governments;

23.28 (4) "Minnesota Tribal governments" means the federally recognized Indian Tribes located
23.29 in Minnesota including: Bois Forte Band; Fond Du Lac Band; Grand Portage Band; Leech
23.30 Lake Band; Mille Lacs Band; White Earth Band; Red Lake Nation; Lower Sioux Indian
23.31 Community; Prairie Island Indian Community; Shakopee Mdewakanton Sioux Community;
23.32 and Upper Sioux Community; and

23.33 (5) "timely and meaningful" means done or occurring at a favorable or useful time that
23.34 allows the result of consultation to be included in the agency's decision-making process for
23.35 a matter that has Tribal implications.

24.1 **EFFECTIVE DATE.** This section is effective July 1, 2024.

24.2 Sec. 2. Minnesota Statutes 2022, section 13.46, subdivision 1, is amended to read:

24.3 Subdivision 1. **Definitions.** As used in this section:

24.4 (a) "Individual" means an individual according to section 13.02, subdivision 8, but does
24.5 not include a vendor of services.

24.6 (b) "Program" includes all programs for which authority is vested in a component of the
24.7 welfare system according to statute or federal law, including, but not limited to, Native
24.8 American tribe programs that provide a service component of the welfare system, the aid
24.9 to families with dependent children program formerly codified in sections 256.72 to 256.87,
24.10 Minnesota family investment program, temporary assistance for needy families program,
24.11 medical assistance, general assistance, general assistance medical care formerly codified in
24.12 chapter 256D, child care assistance program, and child support collections.

24.13 (c) "Welfare system" includes the Department of Human Services, Direct Care and
24.14 Treatment, local social services agencies, county welfare agencies, county public health
24.15 agencies, county veteran services agencies, county housing agencies, private licensing
24.16 agencies, the public authority responsible for child support enforcement, human services
24.17 boards, community mental health center boards, state hospitals, state nursing homes, the
24.18 ombudsman for mental health and developmental disabilities, Native American tribes to
24.19 the extent a tribe provides a service component of the welfare system, and persons, agencies,
24.20 institutions, organizations, and other entities under contract to any of the above agencies to
24.21 the extent specified in the contract.

24.22 (d) "Mental health data" means data on individual clients and patients of community
24.23 mental health centers, established under section 245.62, mental health divisions of counties
24.24 and other providers under contract to deliver mental health services, or the ombudsman for
24.25 mental health and developmental disabilities.

24.26 (e) "Fugitive felon" means a person who has been convicted of a felony and who has
24.27 escaped from confinement or violated the terms of probation or parole for that offense.

24.28 (f) "Private licensing agency" means an agency licensed by the commissioner of human
24.29 services under chapter 245A to perform the duties under section 245A.16.

24.30 **EFFECTIVE DATE.** This section is effective July 1, 2024.

25.1 Sec. 3. Minnesota Statutes 2023 Supplement, section 13.46, subdivision 2, is amended to
25.2 read:

25.3 Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated
25.4 by the welfare system are private data on individuals, and shall not be disclosed except:

25.5 (1) according to section 13.05;

25.6 (2) according to court order;

25.7 (3) according to a statute specifically authorizing access to the private data;

25.8 (4) to an agent of the welfare system and an investigator acting on behalf of a county,
25.9 the state, or the federal government, including a law enforcement person or attorney in the
25.10 investigation or prosecution of a criminal, civil, or administrative proceeding relating to the
25.11 administration of a program;

25.12 (5) to personnel of the welfare system who require the data to verify an individual's
25.13 identity; determine eligibility, amount of assistance, and the need to provide services to an
25.14 individual or family across programs; coordinate services for an individual or family;
25.15 evaluate the effectiveness of programs; assess parental contribution amounts; and investigate
25.16 suspected fraud;

25.17 (6) to administer federal funds or programs;

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

25.19 (8) to the Department of Revenue to assess parental contribution amounts for purposes
25.20 of section 252.27, subdivision 2a, administer and evaluate tax refund or tax credit programs
25.21 and to identify individuals who may benefit from these programs, and prepare the databases
25.22 for reports required under section 270C.13 and Laws 2008, chapter 366, article 17, section
25.23 6. The following information may be disclosed under this paragraph: an individual's and
25.24 their dependent's names, dates of birth, Social Security or individual taxpayer identification
25.25 numbers, income, addresses, and other data as required, upon request by the Department
25.26 of Revenue. Disclosures by the commissioner of revenue to the commissioner of human
25.27 services for the purposes described in this clause are governed by section 270B.14,
25.28 subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent
25.29 care credit under section 290.067, the Minnesota working family credit under section
25.30 290.0671, the property tax refund under section 290A.04, and the Minnesota education
25.31 credit under section 290.0674;

26.1 (9) between the Department of Human Services, the Department of Employment and
26.2 Economic Development, Direct Care and Treatment, and, when applicable, the Department
26.3 of Education, for the following purposes:

26.4 (i) to monitor the eligibility of the data subject for unemployment benefits, for any
26.5 employment or training program administered, supervised, or certified by that agency;

26.6 (ii) to administer any rehabilitation program or child care assistance program, whether
26.7 alone or in conjunction with the welfare system;

26.8 (iii) to monitor and evaluate the Minnesota family investment program or the child care
26.9 assistance program by exchanging data on recipients and former recipients of Supplemental
26.10 Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D,
26.11 256J, or 256K, child care assistance under chapter 119B, medical programs under chapter
26.12 256B or 256L, or a medical program formerly codified under chapter 256D; and

26.13 (iv) to analyze public assistance employment services and program utilization, cost,
26.14 effectiveness, and outcomes as implemented under the authority established in Title II,
26.15 Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999.
26.16 Health records governed by sections 144.291 to 144.298 and "protected health information"
26.17 as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code
26.18 of Federal Regulations, title 45, parts 160-164, including health care claims utilization
26.19 information, must not be exchanged under this clause;

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

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

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

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

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

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

27.11 (i) the participant:

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

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

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

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

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

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

27.26 (18) the address, Social Security or individual taxpayer identification number, and, if
27.27 available, photograph of any member of a household receiving SNAP benefits shall be made
27.28 available, on request, to a local, state, or federal law enforcement officer if the officer
27.29 furnishes the agency with the name of the member and notifies the agency that:

27.30 (i) the member:

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

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

28.2 or

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

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

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

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

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

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

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

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

28.27 (24) the current address and telephone number of program recipients and emergency
28.28 contacts may be released to the commissioner of health or a community health board as
28.29 defined in section 145A.02, subdivision 5, when the commissioner or community health
28.30 board has reason to believe that a program recipient is a disease case, carrier, suspect case,
28.31 or at risk of illness, and the data are necessary to locate the person;

28.32 (25) to other state agencies, statewide systems, and political subdivisions of this state,
28.33 including the attorney general, and agencies of other states, interstate information networks,

29.1 federal agencies, and other entities as required by federal regulation or law for the
29.2 administration of the child support enforcement program;

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

29.6 (27) to monitor and evaluate the Minnesota family investment program by exchanging
29.7 data between the Departments of Human Services and Education, on recipients and former
29.8 recipients of SNAP benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child
29.9 care assistance under chapter 119B, medical programs under chapter 256B or 256L, or a
29.10 medical program formerly codified under chapter 256D;

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

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

29.20 (30) child support data on the child, the parents, and relatives of the child may be
29.21 disclosed to agencies administering programs under titles IV-B and IV-E of the Social
29.22 Security Act, as authorized by federal law;

29.23 (31) to a health care provider governed by sections 144.291 to 144.298, to the extent
29.24 necessary to coordinate services;

29.25 (32) to the chief administrative officer of a school to coordinate services for a student
29.26 and family; data that may be disclosed under this clause are limited to name, date of birth,
29.27 gender, and address;

29.28 (33) to county correctional agencies to the extent necessary to coordinate services and
29.29 diversion programs; data that may be disclosed under this clause are limited to name, client
29.30 demographics, program, case status, and county worker information; or

29.31 (34) between the Department of Human Services and the Metropolitan Council for the
29.32 following purposes:

30.1 (i) to coordinate special transportation service provided under section 473.386 with
 30.2 services for people with disabilities and elderly individuals funded by or through the
 30.3 Department of Human Services; and

30.4 (ii) to provide for reimbursement of special transportation service provided under section
 30.5 473.386.

30.6 The data that may be shared under this clause are limited to the individual's first, last, and
 30.7 middle names; date of birth; residential address; and program eligibility status with expiration
 30.8 date for the purposes of informing the other party of program eligibility.

30.9 (b) Information on persons who have been treated for drug or alcohol abuse may only
 30.10 be disclosed according to the requirements of Code of Federal Regulations, title 42, sections
 30.11 2.1 to 2.67.

30.12 (c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16),
 30.13 (17), or (18), or paragraph (b), are investigative data and are confidential or protected
 30.14 nonpublic while the investigation is active. The data are private after the investigation
 30.15 becomes inactive under section 13.82, subdivision 7, clause (a) or (b).

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

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

30.20 **EFFECTIVE DATE.** This section is effective July 1, 2024.

30.21 Sec. 4. Minnesota Statutes 2022, section 13.46, subdivision 10, is amended to read:

30.22 Subd. 10. **Responsible authority.** (a) Notwithstanding any other provision of this chapter
 30.23 to the contrary, the responsible authority for each component of the welfare system listed
 30.24 in subdivision 1, clause (c), shall be as follows:

30.25 (1) the responsible authority for the Department of Human Services, ~~state hospitals, and~~
 30.26 ~~nursing homes~~ is the commissioner of the Department of Human Services;

30.27 (2) the responsible authority of a county welfare agency is the director of the county
 30.28 welfare agency;

30.29 (3) the responsible authority for a local social services agency, human services board,
 30.30 or community mental health center board is the chair of the board;

31.1 (4) the responsible authority of any person, agency, institution, organization, or other
 31.2 entity under contract to any of the components of the welfare system listed in subdivision
 31.3 1, clause (c), is the person specified in the contract;

31.4 (5) the responsible authority of the public authority for child support enforcement is the
 31.5 head of the public authority for child support enforcement; ~~and~~

31.6 (6) the responsible authority for county veteran services is the county veterans service
 31.7 officer pursuant to section 197.603, subdivision 2.; and

31.8 (7) the responsible authority for Direct Care and Treatment is the chief executive officer
 31.9 of Direct Care and Treatment.

31.10 (b) A responsible authority shall allow another responsible authority in the welfare
 31.11 system access to data classified as not public data when access is necessary for the
 31.12 administration and management of programs, or as authorized or required by statute or
 31.13 federal law.

31.14 **EFFECTIVE DATE.** This section is effective July 1, 2024.

31.15 Sec. 5. Minnesota Statutes 2023 Supplement, section 15.01, is amended to read:

31.16 **15.01 DEPARTMENTS OF THE STATE.**

31.17 The following agencies are designated as the departments of the state government: the
 31.18 Department of Administration; the Department of Agriculture; the Department of Children,
 31.19 Youth, and Families; the Department of Commerce; the Department of Corrections; ~~the~~
 31.20 ~~Department of Direct Care and Treatment~~; the Department of Education; the Department
 31.21 of Employment and Economic Development; the Department of Health; the Department of
 31.22 Human Rights; the Department of Human Services; the Department of Information
 31.23 Technology Services; the Department of Iron Range Resources and Rehabilitation; the
 31.24 Department of Labor and Industry; the Department of Management and Budget; the
 31.25 Department of Military Affairs; the Department of Natural Resources; the Department of
 31.26 Public Safety; the Department of Revenue; the Department of Transportation; the Department
 31.27 of Veterans Affairs; and their successor departments.

31.28 **EFFECTIVE DATE.** This section is effective July 1, 2024.

32.1 Sec. 6. Minnesota Statutes 2023 Supplement, section 15.06, subdivision 1, is amended to
32.2 read:

32.3 Subdivision 1. **Applicability.** This section applies to the following departments or
32.4 agencies: the Departments of Administration; Agriculture; Children, Youth, and Families;
32.5 Commerce; Corrections; ~~Direct Care and Treatment~~; Education; Employment and Economic
32.6 Development; Health; Human Rights; Human Services; Labor and Industry; Management
32.7 and Budget; Natural Resources; Public Safety; Revenue; Transportation; and Veterans
32.8 Affairs; the Housing Finance and Pollution Control Agencies; the Office of Commissioner
32.9 of Iron Range Resources and Rehabilitation; the Department of Information Technology
32.10 Services; the Bureau of Mediation Services; and their successor departments and agencies.
32.11 The heads of the foregoing departments or agencies are "commissioners."

32.12 **EFFECTIVE DATE.** This section is effective July 1, 2024.

32.13 Sec. 7. Minnesota Statutes 2023 Supplement, section 15A.082, subdivision 1, is amended
32.14 to read:

32.15 Subdivision 1. **Creation.** A Compensation Council is created each odd-numbered year
32.16 to establish the compensation of constitutional officers and the heads of state and metropolitan
32.17 agencies identified in section 15A.0815, ~~and~~ to assist the legislature in establishing the
32.18 compensation of justices of the supreme court and judges of the court of appeals and district
32.19 court, and to determine the daily compensation for voting members of the Direct Care and
32.20 Treatment executive board.

32.21 Sec. 8. Minnesota Statutes 2023 Supplement, section 15A.082, subdivision 3, is amended
32.22 to read:

32.23 Subd. 3. **Submission of recommendations and determination.** (a) By April 1 in each
32.24 odd-numbered year, the Compensation Council shall submit to the speaker of the house and
32.25 the president of the senate salary recommendations for justices of the supreme court, and
32.26 judges of the court of appeals and district court. The recommended salaries take effect on
32.27 July 1 of that year and July 1 of the subsequent even-numbered year and at whatever interval
32.28 the council recommends thereafter, unless the legislature by law provides otherwise. The
32.29 salary recommendations take effect if an appropriation of money to pay the recommended
32.30 salaries is enacted after the recommendations are submitted and before their effective date.
32.31 Recommendations may be expressly modified or rejected.

32.32 (b) By April 1 in each odd-numbered year, the Compensation Council must prescribe
32.33 salaries for constitutional officers, and for the agency and metropolitan agency heads

33.1 identified in section 15A.0815. The prescribed salary for each office must take effect July
 33.2 1 of that year and July 1 of the subsequent even-numbered year and at whatever interval
 33.3 the council determines thereafter, unless the legislature by law provides otherwise. An
 33.4 appropriation by the legislature to fund the relevant office, branch, or agency of an amount
 33.5 sufficient to pay the salaries prescribed by the council constitutes a prescription by law as
 33.6 provided in the Minnesota Constitution, article V, sections 4 and 5.

33.7 (c) By April 1 in each odd-numbered year, the Compensation Council must prescribe
 33.8 daily compensation for voting members of the Direct Care and Treatment executive board.
 33.9 The recommended daily compensation takes effect on July 1 of that year and July 1 of the
 33.10 subsequent even-numbered year and at whatever interval the council recommends thereafter,
 33.11 unless the legislature by law provides otherwise.

33.12 Sec. 9. Minnesota Statutes 2023 Supplement, section 15A.082, subdivision 7, is amended
 33.13 to read:

33.14 Subd. 7. **No ex parte communications.** Members may not have any communication
 33.15 with a constitutional officer, a head of a state agency, ~~or~~ a member of the judiciary, or a
 33.16 member of the Direct Care and Treatment executive board during the period after the first
 33.17 meeting is convened under this section and the date the prescribed and recommended salaries
 33.18 and daily compensation are submitted under subdivision 3.

33.19 Sec. 10. Minnesota Statutes 2023 Supplement, section 43A.08, subdivision 1, is amended
 33.20 to read:

33.21 Subdivision 1. **Unclassified positions.** Unclassified positions are held by employees
 33.22 who are:

33.23 (1) chosen by election or appointed to fill an elective office;

33.24 (2) heads of agencies required by law to be appointed by the governor or other elective
 33.25 officers, and the executive or administrative heads of departments, bureaus, divisions, and
 33.26 institutions specifically established by law in the unclassified service;

33.27 (3) deputy and assistant agency heads and one confidential secretary in the agencies
 33.28 listed in subdivision 1a;

33.29 (4) the confidential secretary to each of the elective officers of this state and, for the
 33.30 secretary of state and state auditor, an additional deputy, clerk, or employee;

33.31 (5) intermittent help employed by the commissioner of public safety to assist in the
 33.32 issuance of vehicle licenses;

34.1 (6) employees in the offices of the governor and of the lieutenant governor and one
34.2 confidential employee for the governor in the Office of the Adjutant General;

34.3 (7) employees of the Washington, D.C., office of the state of Minnesota;

34.4 (8) employees of the legislature and of legislative committees or commissions; provided
34.5 that employees of the Legislative Audit Commission, except for the legislative auditor, the
34.6 deputy legislative auditors, and their confidential secretaries, shall be employees in the
34.7 classified service;

34.8 (9) presidents, vice-presidents, deans, other managers and professionals in academic
34.9 and academic support programs, administrative or service faculty, teachers, research
34.10 assistants, and student employees eligible under terms of the federal Economic Opportunity
34.11 Act work study program in the Perpich Center for Arts Education and the Minnesota State
34.12 Colleges and Universities, but not the custodial, clerical, or maintenance employees, or any
34.13 professional or managerial employee performing duties in connection with the business
34.14 administration of these institutions;

34.15 (10) officers and enlisted persons in the National Guard;

34.16 (11) attorneys, legal assistants, and three confidential employees appointed by the attorney
34.17 general or employed with the attorney general's authorization;

34.18 (12) judges and all employees of the judicial branch, referees, receivers, jurors, and
34.19 notaries public, except referees and adjusters employed by the Department of Labor and
34.20 Industry;

34.21 (13) members of the State Patrol; provided that selection and appointment of State Patrol
34.22 troopers must be made in accordance with applicable laws governing the classified service;

34.23 (14) examination monitors and intermittent training instructors employed by the
34.24 Departments of Management and Budget and Commerce and by professional examining
34.25 boards and intermittent staff employed by the technical colleges for the administration of
34.26 practical skills tests and for the staging of instructional demonstrations;

34.27 (15) student workers;

34.28 (16) executive directors or executive secretaries appointed by and reporting to any
34.29 policy-making board or commission established by statute;

34.30 (17) employees unclassified pursuant to other statutory authority;

34.31 (18) intermittent help employed by the commissioner of agriculture to perform duties
34.32 relating to pesticides, fertilizer, and seed regulation;

35.1 (19) the administrators and the deputy administrators at the State Academies for the
35.2 Deaf and the Blind; and

35.3 (20) ~~the chief executive officers in the Department of Human Services~~ officer of Direct
35.4 Care and Treatment.

35.5 **EFFECTIVE DATE.** This section is effective July 1, 2024.

35.6 Sec. 11. Minnesota Statutes 2023 Supplement, section 43A.08, subdivision 1a, is amended
35.7 to read:

35.8 Subd. 1a. **Additional unclassified positions.** Appointing authorities for the following
35.9 agencies may designate additional unclassified positions according to this subdivision: the
35.10 Departments of Administration; Agriculture; Children, Youth, and Families; Commerce;
35.11 Corrections; ~~Direct Care and Treatment~~; Education; Employment and Economic
35.12 Development; Explore Minnesota Tourism; Management and Budget; Health; Human
35.13 Rights; Human Services; Labor and Industry; Natural Resources; Public Safety; Revenue;
35.14 Transportation; and Veterans Affairs; the Housing Finance and Pollution Control Agencies;
35.15 the State Lottery; the State Board of Investment; the Office of Administrative Hearings; the
35.16 Department of Information Technology Services; the Offices of the Attorney General,
35.17 Secretary of State, and State Auditor; the Minnesota State Colleges and Universities; the
35.18 Minnesota Office of Higher Education; the Perpich Center for Arts Education; Direct Care
35.19 and Treatment; and the Minnesota Zoological Board.

35.20 A position designated by an appointing authority according to this subdivision must
35.21 meet the following standards and criteria:

35.22 (1) the designation of the position would not be contrary to other law relating specifically
35.23 to that agency;

35.24 (2) the person occupying the position would report directly to the agency head or deputy
35.25 agency head and would be designated as part of the agency head's management team;

35.26 (3) the duties of the position would involve significant discretion and substantial
35.27 involvement in the development, interpretation, and implementation of agency policy;

35.28 (4) the duties of the position would not require primarily personnel, accounting, or other
35.29 technical expertise where continuity in the position would be important;

35.30 (5) there would be a need for the person occupying the position to be accountable to,
35.31 loyal to, and compatible with, the governor and the agency head, the employing statutory
35.32 board or commission, or the employing constitutional officer;

36.1 (6) the position would be at the level of division or bureau director or assistant to the
36.2 agency head; and

36.3 (7) the commissioner has approved the designation as being consistent with the standards
36.4 and criteria in this subdivision.

36.5 **EFFECTIVE DATE.** This section is effective July 1, 2024.

36.6 Sec. 12. Minnesota Statutes 2022, section 145.61, subdivision 5, is amended to read:

36.7 Subd. 5. **Review organization.** "Review organization" means a nonprofit organization
36.8 acting according to clause (1), a committee as defined under section 144E.32, subdivision
36.9 2, or a committee whose membership is limited to professionals, administrative staff, and
36.10 consumer directors, except where otherwise provided for by state or federal law, and which
36.11 is established by one or more of the following: a hospital, a clinic, a nursing home, an
36.12 ambulance service or first responder service regulated under chapter 144E, one or more
36.13 state or local associations of professionals, an organization of professionals from a particular
36.14 area or medical institution, a health maintenance organization as defined in chapter 62D, a
36.15 community integrated service network as defined in chapter 62N, a nonprofit health service
36.16 plan corporation as defined in chapter 62C, a preferred provider organization, a professional
36.17 standards review organization established pursuant to United States Code, title 42, section
36.18 1320c-1 et seq., a medical review agent established to meet the requirements of section
36.19 256B.04, subdivision 15, the Department of Human Services, Direct Care and Treatment,
36.20 or a nonprofit corporation that owns, operates, or is established by one or more of the above
36.21 referenced entities, to gather and review information relating to the care and treatment of
36.22 patients for the purposes of:

36.23 (a) evaluating and improving the quality of health care;

36.24 (b) reducing morbidity or mortality;

36.25 (c) obtaining and disseminating statistics and information relative to the treatment and
36.26 prevention of diseases, illness and injuries;

36.27 (d) developing and publishing guidelines showing the norms of health care in the area
36.28 or medical institution or in the entity or organization that established the review organization;

36.29 (e) developing and publishing guidelines designed to keep within reasonable bounds the
36.30 cost of health care;

36.31 (f) developing and publishing guidelines designed to improve the safety of care provided
36.32 to individuals;

37.1 (g) reviewing the safety, quality, or cost of health care services provided to enrollees of
37.2 health maintenance organizations, community integrated service networks, health service
37.3 plans, preferred provider organizations, and insurance companies;

37.4 (h) acting as a professional standards review organization pursuant to United States
37.5 Code, title 42, section 1320c-1 et seq.;

37.6 (i) determining whether a professional shall be granted staff privileges in a medical
37.7 institution, membership in a state or local association of professionals, or participating status
37.8 in a nonprofit health service plan corporation, health maintenance organization, community
37.9 integrated service network, preferred provider organization, or insurance company, or
37.10 whether a professional's staff privileges, membership, or participation status should be
37.11 limited, suspended or revoked;

37.12 (j) reviewing, ruling on, or advising on controversies, disputes or questions between:

37.13 (1) health insurance carriers, nonprofit health service plan corporations, health
37.14 maintenance organizations, community integrated service networks, self-insurers and their
37.15 insureds, subscribers, enrollees, or other covered persons;

37.16 (2) professional licensing boards and health providers licensed by them;

37.17 (3) professionals and their patients concerning diagnosis, treatment or care, or the charges
37.18 or fees therefor;

37.19 (4) professionals and health insurance carriers, nonprofit health service plan corporations,
37.20 health maintenance organizations, community integrated service networks, or self-insurers
37.21 concerning a charge or fee for health care services provided to an insured, subscriber,
37.22 enrollee, or other covered person;

37.23 (5) professionals or their patients and the federal, state, or local government, or agencies
37.24 thereof;

37.25 (k) providing underwriting assistance in connection with professional liability insurance
37.26 coverage applied for or obtained by dentists, or providing assistance to underwriters in
37.27 evaluating claims against dentists;

37.28 (l) acting as a medical review agent under section 256B.04, subdivision 15;

37.29 (m) providing recommendations on the medical necessity of a health service, or the
37.30 relevant prevailing community standard for a health service;

37.31 (n) providing quality assurance as required by United States Code, title 42, sections
37.32 1396r(b)(1)(b) and 1395i-3(b)(1)(b) of the Social Security Act;

38.1 (o) providing information to group purchasers of health care services when that
38.2 information was originally generated within the review organization for a purpose specified
38.3 by this subdivision;

38.4 (p) providing information to other, affiliated or nonaffiliated review organizations, when
38.5 that information was originally generated within the review organization for a purpose
38.6 specified by this subdivision, and as long as that information will further the purposes of a
38.7 review organization as specified by this subdivision; or

38.8 (q) participating in a standardized incident reporting system, including Internet-based
38.9 applications, to share information for the purpose of identifying and analyzing trends in
38.10 medical error and iatrogenic injury.

38.11 **EFFECTIVE DATE.** This section is effective July 1, 2024.

38.12 Sec. 13. Minnesota Statutes 2022, section 246.018, subdivision 3, is amended to read:

38.13 Subd. 3. **Duties.** The medical director shall:

38.14 (1) oversee the clinical provision of inpatient mental health services provided in the
38.15 state's regional treatment centers;

38.16 (2) recruit and retain psychiatrists to serve on the state medical staff established in
38.17 subdivision 4;

38.18 (3) consult with the ~~commissioner of human services~~ Direct Care and Treatment executive
38.19 board, the chief executive officer, and community mental health center directors, ~~and the~~
38.20 ~~state-operated services governing body~~ to develop standards for treatment and care of
38.21 patients in state-operated service programs;

38.22 (4) develop and oversee a continuing education program for members of the medical
38.23 staff; and

38.24 (5) participate and cooperate in the development and maintenance of a quality assurance
38.25 program for state-operated services that assures that residents receive quality inpatient care
38.26 and continuous quality care once they are discharged or transferred to an outpatient setting.

38.27 **EFFECTIVE DATE.** This section is effective July 1, 2024.

38.28 Sec. 14. Minnesota Statutes 2022, section 246.13, subdivision 2, is amended to read:

38.29 Subd. 2. **Definitions; risk assessment and management.** (a) As used in this section:

39.1 (1) "appropriate and necessary medical and other records" includes patient medical
39.2 records and other protected health information as defined by Code of Federal Regulations,
39.3 title 45, section 164.501, relating to a patient in a state-operated services facility including,
39.4 but not limited to, the patient's treatment plan and abuse prevention plan that is pertinent to
39.5 the patient's ongoing care, treatment, or placement in a community-based treatment facility
39.6 or a health care facility that is not operated by state-operated services, and includes
39.7 information describing the level of risk posed by a patient when the patient enters the facility;

39.8 (2) "community-based treatment" means the community support services listed in section
39.9 253B.02, subdivision 4b;

39.10 (3) "criminal history data" means those data maintained or used by the Departments of
39.11 Corrections and Public Safety and by the supervisory authorities listed in section 13.84,
39.12 subdivision 1, that relate to an individual's criminal history or propensity for violence,
39.13 including data in the Corrections Offender Management System (COMS) and Statewide
39.14 Supervision System (S3) maintained by the Department of Corrections; and criminal history
39.15 data as defined in section 13.87, Integrated Search Service as defined in section 13.873,
39.16 and the Predatory Offender Registration (POR) system maintained by the Department of
39.17 Public Safety;

39.18 (4) "designated agency" means the agency defined in section 253B.02, subdivision 5;

39.19 (5) "law enforcement agency" means the law enforcement agency having primary
39.20 jurisdiction over the location where the offender expects to reside upon release;

39.21 (6) "predatory offender" and "offender" mean a person who is required to register as a
39.22 predatory offender under section 243.166; and

39.23 (7) "treatment facility" means a facility as defined in section 253B.02, subdivision 19.

39.24 (b) To promote public safety and for the purposes and subject to the requirements of
39.25 this paragraph, the ~~commissioner~~ executive board or the ~~commissioner's~~ designee of the
39.26 executive board shall have access to, and may review and disclose, medical and criminal
39.27 history data as provided by this section, as necessary to comply with Minnesota Rules, part
39.28 1205.0400:

39.29 (1) to determine whether a patient is required under state law to register as a predatory
39.30 offender according to section 243.166;

39.31 (2) to facilitate and expedite the responsibilities of the special review board and
39.32 end-of-confinement review committees by corrections institutions and state treatment
39.33 facilities;

40.1 (3) to prepare, amend, or revise the abuse prevention plans required under section
 40.2 626.557, subdivision 14, and individual patient treatment plans required under section
 40.3 253B.03, subdivision 7;

40.4 (4) to facilitate the custody, supervision, and transport of individuals transferred between
 40.5 the Department of Corrections and ~~the Department of Human Services~~ Direct Care and
 40.6 Treatment; or

40.7 (5) to effectively monitor and supervise individuals who are under the authority of the
 40.8 Department of Corrections, ~~the Department of Human Services~~ Direct Care and Treatment,
 40.9 and the supervisory authorities listed in section 13.84, subdivision 1.

40.10 (c) The state-operated services treatment facility must make a good faith effort to obtain
 40.11 written authorization from the patient before releasing information from the patient's medical
 40.12 record.

40.13 (d) If the patient refuses or is unable to give informed consent to authorize the release
 40.14 of information required above, the chief executive officer ~~for state-operated services~~ shall
 40.15 provide the appropriate and necessary medical and other records. The chief executive officer
 40.16 shall comply with the minimum necessary requirements.

40.17 (e) The ~~commissioner~~ executive board may have access to the National Crime Information
 40.18 Center (NCIC) database, through the Department of Public Safety, in support of the law
 40.19 enforcement functions described in paragraph (b).

40.20 **EFFECTIVE DATE.** This section is effective July 1, 2024.

40.21 Sec. 15. Minnesota Statutes 2023 Supplement, section 246C.01, is amended to read:

40.22 **246C.01 TITLE.**

40.23 This chapter may be cited as the "~~Department of~~ Direct Care and Treatment Act."

40.24 **EFFECTIVE DATE.** This section is effective July 1, 2024.

40.25 Sec. 16. **[246C.015] DEFINITIONS.**

40.26 Subdivision 1. Scope. For the purposes of this chapter, the following terms have the
 40.27 meanings given.

40.28 Subd. 2. Board or executive board. "Board" or "executive board" means the Direct
 40.29 Care and Treatment executive board established under section 246C.06.

41.1 Subd. 3. **Chief executive officer.** "Chief executive officer" means the Direct Care and
 41.2 Treatment chief executive officer appointed according to section 246C.08.

41.3 Subd. 4. **Community preparation services.** "Community preparation services" means
 41.4 specialized inpatient or outpatient services operated outside of a secure environment but
 41.5 administered by a secure treatment facility.

41.6 Subd. 5. **Direct Care and Treatment.** "Direct Care and Treatment" means the agency
 41.7 of Direct Care and Treatment established under this chapter.

41.8 Subd. 6. **Secure treatment facility.** "Secure treatment facility" means a facility as
 41.9 defined in section 253B.02, subdivision 18a; or 253D.02, subdivision 13.

41.10 **EFFECTIVE DATE.** This section is effective July 1, 2024.

41.11 Sec. 17. Minnesota Statutes 2023 Supplement, section 246C.02, is amended to read:

41.12 **246C.02 DEPARTMENT OF DIRECT CARE AND TREATMENT;**
 41.13 **ESTABLISHMENT.**

41.14 ~~(a) The Department of Direct Care and Treatment is created: as an agency headed by an~~
 41.15 ~~executive board shall head the Department of Direct Care and Treatment. The executive~~
 41.16 ~~board shall develop and maintain direct care and treatment in a manner consistent with~~
 41.17 ~~applicable law, including chapters 13, 245, 246, 246B, 252, 253, 253B, 253C, 253D, 254A,~~
 41.18 ~~254B, and 256. The Department of Direct Care and Treatment shall provide direct care and~~
 41.19 ~~treatment services in coordination with counties and other vendors. Direct care and treatment~~
 41.20 ~~services shall that include specialized inpatient programs at secure treatment facilities as~~
 41.21 ~~defined in sections 253B.02, subdivision 18a, and 253D.02, subdivision 13; community~~
 41.22 ~~preparation services; regional treatment centers; enterprise services; consultative services;~~
 41.23 ~~aftercare services; community-based services and programs; transition services; nursing~~
 41.24 ~~home services; and other services consistent with the mission of the Department of Direct~~
 41.25 ~~Care and Treatment state law, including this chapter and chapters 245, 246, 246B, 252, 253,~~
 41.26 ~~253B, 253C, 253D, 254A, 254B, and 256. Direct Care and Treatment shall provide direct~~
 41.27 ~~care and treatment services in coordination with counties and other vendors.~~

41.28 ~~(b) "Community preparation services" means specialized inpatient or outpatient services~~
 41.29 ~~or programs operated outside of a secure environment but administered by a secure treatment~~
 41.30 ~~facility.~~

41.31 **EFFECTIVE DATE.** This section is effective July 1, 2024.

42.1 Sec. 18. Minnesota Statutes 2023 Supplement, section 246C.04, is amended to read:

42.2 **246C.04 TRANSFER OF DUTIES.**

42.3 (a) Section 15.039 applies to the transfer of ~~duties~~ responsibilities from the Department
42.4 of Human Services to Direct Care and Treatment required by this chapter.

42.5 (b) The commissioner of administration, with the governor's approval, shall issue
42.6 reorganization orders under section 16B.37 as necessary to carry out the transfer of duties
42.7 required by ~~section 246C.03~~ this chapter. The provision of section 16B.37, subdivision 1,
42.8 stating that transfers under section 16B.37 may only be to an agency that has existed for at
42.9 least one year does not apply to transfers to an agency created by this chapter.

42.10 (c) ~~The initial salary for the health systems chief executive officer of the Department of~~
42.11 ~~Direct Care and Treatment is the same as the salary for the health systems chief executive~~
42.12 ~~officer of direct care and treatment at the Department of Human Services immediately before~~
42.13 ~~July 1, 2024.~~

42.14 (c) The commissioner of human services shall continue to exercise all authorities and
42.15 responsibilities under this chapter and chapters 13, 245, 246, 246B, 252, 253, 253B, 253C,
42.16 253D, 254A, 254B, and 256, with reference to any state-operated service, program, or
42.17 facility subject to transfer under this act until July 1, 2025. Effective July 1, 2025, the powers
42.18 and duties vested in or imposed upon the commissioner of human services with reference
42.19 to any state operated service, program, or facility are transferred to, vested in, and imposed
42.20 upon the executive board according to this chapter and applicable state law. Effective July
42.21 1, 2025, the executive board has the exclusive power of administration and management of
42.22 all state hospitals for persons with a developmental disability, mental illness, or substance
42.23 use disorder. Effective July 1, 2025, the executive board has the power and authority to
42.24 determine all matters relating to the development of all foregoing institutions and other
42.25 institutions vested in the executive board. Effective July 1, 2025, the powers, functions, and
42.26 authority vested in the commissioner of human services relative to such state institutions
42.27 are transferred to the executive board according to this chapter and applicable state law.

42.28 (d) The commissioner of human services shall continue to exercise all authority and
42.29 responsibility for and retain custody of persons subject to civil commitment under chapter
42.30 253B or 253D until July 1, 2025. Effective July 1, 2025, custody of persons subject to civil
42.31 commitment under chapter 253B or 253D and in the custody of the commissioner of human
42.32 services as of that date is hereby transferred to the executive board without further act or
42.33 proceeding. Authority and responsibility for the commitment of such persons is transferred
42.34 to the executive board on July 1, 2025.

43.1 **EFFECTIVE DATE.** This section is effective July 1, 2024.

43.2 Sec. 19. Minnesota Statutes 2023 Supplement, section 246C.05, is amended to read:

43.3 **246C.05 EMPLOYEE PROTECTIONS FOR ESTABLISHING THE NEW**
43.4 **~~DEPARTMENT OF DIRECT CARE AND TREATMENT.~~**

43.5 (a) Personnel whose duties relate to the functions assigned to the ~~Department of Direct~~
43.6 ~~Care and Treatment executive board in section 246C.03~~ this chapter are transferred to the
43.7 ~~Department of Direct Care and Treatment~~ effective 30 days after approval by the
43.8 commissioner of ~~direct care and treatment~~ management and budget.

43.9 (b) Before the ~~Department of Direct Care and Treatment~~ executive board is appointed,
43.10 personnel whose duties relate to the functions in this ~~section~~ chapter may be transferred
43.11 beginning July 1, 2024, with 30 days' notice from the commissioner of management and
43.12 budget.

43.13 (c) The following protections shall apply to employees who are transferred from the
43.14 Department of Human Services to ~~the Department of Direct Care and Treatment~~:

43.15 (1) No transferred employee shall have their employment status and job classification
43.16 altered as a result of the transfer.

43.17 (2) Transferred employees who were represented by an exclusive representative prior
43.18 to the transfer shall continue to be represented by the same exclusive representative after
43.19 the transfer.

43.20 (3) The applicable collective bargaining agreements with exclusive representatives shall
43.21 continue in full force and effect for such transferred employees after the transfer.

43.22 (4) The state shall have the obligation to meet and negotiate with the exclusive
43.23 representatives of the transferred employees about any proposed changes affecting or relating
43.24 to the transferred employees' terms and conditions of employment to the extent such changes
43.25 are not addressed in the applicable collective bargaining agreement.

43.26 (5) When an employee in a temporary unclassified position is transferred to ~~the~~
43.27 ~~Department of Direct Care and Treatment~~, the total length of time that the employee has
43.28 served in the appointment shall include all time served in the appointment at the transferring
43.29 agency and the time served in the appointment at ~~the Department of Direct Care and~~
43.30 ~~Treatment~~. An employee in a temporary unclassified position who was hired by a transferring
43.31 agency through an open competitive selection process in accordance with a policy enacted

44.1 by Minnesota Management and Budget shall be considered to have been hired through such
44.2 process after the transfer.

44.3 (6) In the event that the state transfers ownership or control of any of the facilities,
44.4 services, or operations of ~~the Department of~~ Direct Care and Treatment to another entity,
44.5 whether private or public, by subcontracting, sale, assignment, lease, or other transfer, the
44.6 state shall require as a written condition of such transfer of ownership or control the following
44.7 provisions:

44.8 (i) Employees who perform work in transferred facilities, services, or operations must
44.9 be offered employment with the entity acquiring ownership or control before the entity
44.10 offers employment to any individual who was not employed by the transferring agency at
44.11 the time of the transfer.

44.12 (ii) The wage and benefit standards of such transferred employees must not be reduced
44.13 by the entity acquiring ownership or control through the expiration of the collective
44.14 bargaining agreement in effect at the time of the transfer or for a period of two years after
44.15 the transfer, whichever is longer.

44.16 (d) There is no liability on the part of, and no cause of action arises against, the state of
44.17 Minnesota or its officers or agents for any action or inaction of any entity acquiring ownership
44.18 or control of any facilities, services, or operations of ~~the Department of~~ Direct Care and
44.19 Treatment.

44.20 **EFFECTIVE DATE.** This section is effective July 1, 2024.

44.21 Sec. 20. **[246C.06] EXECUTIVE BOARD; MEMBERSHIP; GOVERNANCE.**

44.22 **Subdivision 1. Establishment.** The Direct Care and Treatment executive board is
44.23 established.

44.24 **Subd. 2. Membership.** (a) The Direct Care and Treatment executive board consists of
44.25 nine members with seven voting members and two nonvoting members. The seven voting
44.26 members must include six members appointed by the governor with the advice and consent
44.27 of the senate in accordance with paragraph (b) and the commissioner of human services or
44.28 a designee. The two nonvoting members must be appointed in accordance with paragraph
44.29 (c). Section 15.0597 applies to all executive board appointments except for the commissioner
44.30 of human services.

44.31 (b) The executive board voting members appointed by the governor must meet the
44.32 following qualifications:

45.1 (1) one member must be a licensed physician who is a psychiatrist or has experience in
45.2 servicing behavioral health patients;

45.3 (2) two members must have experience serving on a hospital or nonprofit board; and

45.4 (3) three members must have experience working: (i) as a public labor union
45.5 representative; (ii) in the delivery of behavioral health services or care coordination or in
45.6 traditional healing practices; (iii) as a licensed health care professional; (iv) within health
45.7 care administration; or (v) with residential services.

45.8 (c) The executive board nonvoting members must be appointed as follows:

45.9 (1) one member appointed by the Association of Counties; and

45.10 (2) one member who has an active role as a union representative representing staff at
45.11 Direct Care and Treatment appointed by joint representatives of the following unions:
45.12 American Federation of State and Municipal Employees (AFSCME); Minnesota Association
45.13 of Professional Employees (MAPE); Minnesota Nurses Association (MNA); Middle
45.14 Management Association (MMA); and State Residential Schools Education Association
45.15 (SRSEA).

45.16 (d) Membership on the board must include representation from outside the seven-county
45.17 metropolitan area, as defined in section 473.121, subdivision 2.

45.18 (e) A voting member of the executive board must not be or must not have been within
45.19 one year prior to appointment: (1) an employee of Direct Care and Treatment; (2) an
45.20 employee of a county, including a county commissioner; (3) an active employee or
45.21 representative of a labor union that represents employees of Direct Care and Treatment; or
45.22 (4) a member of the state legislature. This paragraph does not apply to the nonvoting members
45.23 or the commissioner of human services or designee.

45.24 Subd. 3. **Procedures.** Except as otherwise provided for in this section, the membership
45.25 terms, compensation, and removal and filling of vacancies for the executive board are
45.26 governed by section 15.0575.

45.27 Subd. 4. **Compensation.** (a) Notwithstanding section 15.0575, subdivision 3, paragraph
45.28 (a), the nonvoting members of the executive board must not receive daily compensation for
45.29 executive board activities. Nonvoting members of the executive board may receive expenses
45.30 in the same manner and amount as authorized by the commissioner's plan adopted under
45.31 section 43A.18, subdivision 2. Nonvoting members who, as a result of time spent attending
45.32 board meetings, incur child care expenses that would not otherwise have been incurred may
45.33 be reimbursed for those expenses upon board authorization.

46.1 (b) Notwithstanding section 15.0575, subdivision 3, paragraph (a), the Compensation
46.2 Council under section 15A.082 must determine the compensation for voting members of
46.3 the executive board per day spent on executive board activities authorized by the executive
46.4 board. Voting members of the executive board may also receive the expenses in the same
46.5 manner and amount as authorized by the commissioner's plan adopted under section 43A.18,
46.6 subdivision 2. Voting members who, as a result of time spent attending board meetings,
46.7 incur child care expenses that would not otherwise have been incurred may be reimbursed
46.8 for those expenses upon board authorization.

46.9 (c) The commissioner of management and budget must publish the daily compensation
46.10 rate for voting members of the executive board determined under paragraph (b) on the
46.11 Department of Management and Budget's website.

46.12 (d) Voting members of the executive board must adopt internal standards prescribing
46.13 what constitutes a day spent on board activities for the purposes of making payments
46.14 authorized under paragraph (b).

46.15 (e) All other requirements under section 15.0575, subdivision 3, apply to the
46.16 compensation of executive board members.

46.17 Subd. 5. **Acting chair; officers.** (a) The governor shall designate one member from the
46.18 voting membership appointed by the governor as acting chair of the executive board.

46.19 (b) At the first meeting of the executive board, the executive board must elect a chair
46.20 from among the voting membership appointed by the governor.

46.21 (c) The executive board must annually elect a chair from among the voting membership
46.22 appointed by the governor.

46.23 (d) The executive board must elect officers from among the voting membership appointed
46.24 by the governor. The elected officers shall serve for one year.

46.25 Subd. 6. **Terms.** (a) Except for the commissioner of human services, executive board
46.26 members must not serve more than two consecutive terms unless service beyond two
46.27 consecutive terms is approved by the majority of voting members. The commissioner or
46.28 designee shall serve until replaced by the governor.

46.29 (b) An executive board member may resign at any time by giving written notice to the
46.30 executive board.

46.31 (c) The initial term of the member appointed under subdivision 2, paragraph (b), clause
46.32 (1), is two years. The initial term of the members appointed under subdivision 2, paragraph
46.33 (b), clause (2), is three years. The initial term of the members appointed under subdivision

47.1 2, paragraph (b), clause (3), and the members appointed under subdivision 2, paragraph (c),
47.2 is four years.

47.3 (d) After the initial term, the term length of all appointed executive board members is
47.4 four years.

47.5 Subd. 7. **Conflicts of interest.** Executive board members must recuse themselves from
47.6 discussion of and voting on an official matter if the executive board member has a conflict
47.7 of interest. A conflict of interest means an association, including a financial or personal
47.8 association, that has the potential to bias or have the appearance of biasing an executive
47.9 board member's decision in matters related to Direct Care and Treatment or the conduct of
47.10 activities under this chapter.

47.11 Subd. 8. **Meetings.** The executive board must meet at least four times per fiscal year at
47.12 a place and time determined by the executive board.

47.13 Subd. 9. **Quorum.** A majority of the voting members of the executive board constitutes
47.14 a quorum. The affirmative vote of a majority of the voting members of the executive board
47.15 is necessary and sufficient for action taken by the executive board.

47.16 Subd. 10. **Immunity; indemnification.** (a) Members of the executive board are immune
47.17 from civil liability for any act or omission occurring within the scope of the performance
47.18 of their duties under this chapter.

47.19 (b) When performing executive board duties or actions, members of the executive board
47.20 are employees of the state for purposes of indemnification under section 3.736, subdivision
47.21 9.

47.22 Subd. 11. **Rulemaking.** (a) The executive board is authorized to adopt, amend, and
47.23 repeal rules in accordance with chapter 14 under the executive board's authority to implement
47.24 this chapter or any responsibilities of Direct Care and Treatment specified in state law.

47.25 (b) Until July 1, 2030, the executive board may adopt rules using the expedited
47.26 rulemaking process in section 14.389.

47.27 (c) All orders, rules, delegations, permits, and other privileges issued or granted by the
47.28 Department of Human Services with respect to any function of Direct Care and Treatment
47.29 and in effect at the time of the establishment of Direct Care and Treatment shall continue
47.30 in effect as if such establishment had not occurred. The executive board may amend or
47.31 repeal rules applicable to Direct Care and Treatment that were established by the Department
47.32 of Human Services in accordance with chapter 14.

47.33 **EFFECTIVE DATE.** This section is effective July 1, 2024.

48.1 **Sec. 21. [246C.07] POWERS AND DUTIES OF EXECUTIVE BOARD.**

48.2 Subdivision 1. **Generally.** (a) The executive board must operate the agency according
48.3 to this chapter and applicable state and federal law. The overall management and control
48.4 of the agency is vested in the executive board in accordance with this chapter.

48.5 (b) The executive board must appoint a chief executive officer according to section
48.6 246C.08. The chief executive officer is responsible for the administrative and operational
48.7 duties of Direct Care and Treatment in accordance with this chapter.

48.8 (c) The executive board may delegate duties imposed by this chapter and under applicable
48.9 state and federal law as deemed appropriate by the board and in accordance with this chapter.
48.10 Any delegation of a specified statutory duty or power to an employee of Direct Care and
48.11 Treatment other than the chief executive officer must be made by written order and filed
48.12 with the secretary of state. Only the chief executive officer shall have the powers and duties
48.13 of the executive board as specified in section 246C.08.

48.14 Subd. 2. **Principles.** The executive board, in undertaking its duties and responsibilities
48.15 and within Direct Care and Treatment resources, shall act according to the following
48.16 principles:

48.17 (1) prevent the waste or unnecessary spending of public money;

48.18 (2) use innovative fiscal and human resource practices to manage the state's resources
48.19 and operate the agency as efficiently as possible;

48.20 (3) coordinate Direct Care and Treatment activities wherever appropriate with the
48.21 activities of other governmental agencies;

48.22 (4) use technology where appropriate to increase agency productivity, improve customer
48.23 service, increase public access to information about government, and increase public
48.24 participation in the business of government; and

48.25 (5) utilize constructive and cooperative labor management practices to the extent
48.26 otherwise required by chapter 43A or 179A.

48.27 Subd. 3. **Powers and duties.** (a) The executive board has the power and duty to:

48.28 (1) set the overall strategic direction for Direct Care and Treatment, ensuring that Direct
48.29 Care and Treatment delivers exceptional care and supports the well-being of all individuals
48.30 served by Direct Care and Treatment;

48.31 (2) establish policies and procedures to govern the operation of the facilities, programs,
48.32 and services under the direct authority of Direct Care and Treatment;

49.1 (3) employ personnel and delegate duties and responsibilities to personnel as deemed
49.2 appropriate by the executive board, subject to chapters 43A and 179A and in accordance
49.3 with this chapter;

49.4 (4) review and approve the operating budget proposal for Direct Care and Treatment;

49.5 (5) accept and use gifts, grants, or contributions from any nonstate source or refuse to
49.6 accept any gift, grant, or contribution if acceptance would not be in the best interest of the
49.7 state;

49.8 (6) deposit all money received as gifts, grants, or contributions pursuant to section
49.9 246C.09, subdivision 1;

49.10 (7) enter into information-sharing agreements with federal and state agencies and other
49.11 entities, provided the agreements include adequate protections with respect to the
49.12 confidentiality and integrity of the information to be shared and comply with all applicable
49.13 state and federal laws, regulations, and rules;

49.14 (8) enter into interagency or service level agreements with a state department listed in
49.15 section 15.01; a multimember state agency described in section 15.012, paragraph (a); or
49.16 the Department of Information Technology Services;

49.17 (9) enter into contractual agreements with federally recognized Indian Tribes with a
49.18 reservation in Minnesota;

49.19 (10) enter into contracts with public and private agencies, private and nonprofit
49.20 organizations, and individuals, using appropriated funds;

49.21 (11) establish and maintain any administrative units reasonably necessary for the
49.22 performance of administrative functions common to all programs or divisions of Direct
49.23 Care and Treatment;

49.24 (12) authorize the method of payment to or from Direct Care and Treatment as part of
49.25 programs administered by Direct Care and Treatment, including authorization of the receipt
49.26 or disbursement of funds held by Direct Care and Treatment in a fiduciary capacity as part
49.27 of the programs administered by Direct Care and Treatment;

49.28 (13) inform Tribal Nations and county agencies, on a timely basis, of changes in statute,
49.29 rule, federal law, regulation, and policy necessary to Tribal or county agency administration
49.30 of Direct Care and Treatment programs and services;

50.1 (14) report to the legislature on the performance of Direct Care and Treatment operations
50.2 and the accomplishment of Direct Care and Treatment goals in its biennial budget in
50.3 accordance with section 16A.10, subdivision 1;

50.4 (15) recommend to the legislature appropriate changes in law necessary to carry out the
50.5 principles and improve the performance of Direct Care and Treatment; and

50.6 (16) exercise all powers reasonably necessary to implement and administer the
50.7 requirements of this chapter and applicable state and federal law.

50.8 (b) The specific enumeration of powers and duties as set forth in this section shall not
50.9 be construed as a limitation upon the general transfer of Direct Care and Treatment facilities,
50.10 programs, and services from the Department of Human Services to Direct Care and Treatment
50.11 under this chapter.

50.12 Subd. 4. **Creation of bylaws.** The board may establish bylaws governing its operations
50.13 and the operations of Direct Care and Treatment in accordance with this chapter.

50.14 Subd. 5. **Reciprocal exchange of certain persons.** The executive board is authorized
50.15 and empowered with the approval of the governor to enter into reciprocal agreements with
50.16 another state or states regarding the mutual exchange, return, and transportation of persons
50.17 with a mental illness or a developmental disability who are within the confines of one state
50.18 but have legal residence or legal settlement for the purposes of relief in another state. Any
50.19 agreement entered into under this subdivision must not contain any provision that conflicts
50.20 with any state law.

50.21 Subd. 6. **Acceptance of voluntary, uncompensated services.** For the purpose of carrying
50.22 out a duty, the executive board may accept uncompensated and voluntary services and may
50.23 enter into contracts or agreements with private or public agencies, organizations, or persons,
50.24 for uncompensated and voluntary services, as the executive board may deem practicable.
50.25 Uncompensated and voluntary services do not include services mandated by licensure or
50.26 certification requirements for health care facilities. The volunteer agencies, organizations,
50.27 or persons who provide services to residents of state facilities operated under the authority
50.28 of Direct Care and Treatment are not subject to the procurement requirements of chapter
50.29 16A or 16C.

50.30 **EFFECTIVE DATE.** This section is effective July 1, 2024.

50.31 Sec. 22. **[246C.08] CHIEF EXECUTIVE OFFICER; SERVICE; DUTIES.**

50.32 Subdivision 1. **Service.** (a) The Direct Care and Treatment chief executive officer is
50.33 appointed by the executive board and serves at the pleasure of the executive board.

51.1 (b) The chief executive officer shall serve in the unclassified service in accordance with
51.2 section 43A.08 and shall be governed by a compensation plan prepared by the executive
51.3 board, submitted to the commissioner of management and budget for review and comment,
51.4 and approved by the Legislative Coordinating Commission and the legislature in accordance
51.5 with section 3.855.

51.6 Subd. 2. Powers and duties. (a) The chief executive officer's primary duty is to assist
51.7 the executive board. The chief executive officer is responsible for the administrative and
51.8 operational management of the agency.

51.9 (b) The chief executive officer shall have all the powers of the executive board unless
51.10 the executive board directs otherwise. The chief executive officer shall have the authority
51.11 to speak for the executive board and Direct Care and Treatment within and outside the
51.12 agency.

51.13 (c) In the event that a vacancy occurs for any reason within the chief executive officer
51.14 position, the chief medical officer appointed under section 246.018 shall immediately become
51.15 the temporary chief executive officer until the executive board appoints a new chief executive
51.16 officer. During this period, the chief medical officer shall have all the powers and authority
51.17 delegated to the chief executive officer by the board and specified in this chapter.

51.18 **EFFECTIVE DATE.** This section is effective July 1, 2024.

51.19 Sec. 23. **[246C.09] DIRECT CARE AND TREATMENT ACCOUNTS.**

51.20 Subdivision 1. **Gifts, grants, and contributions account.** (a) A gifts, grants, and
51.21 contributions account is created in the special revenue fund in the state treasury. All money
51.22 received by the executive board as a gift, grant, or contribution must be deposited in the
51.23 gifts, grants, and contributions account. Beginning July 1, 2025, except as provided in
51.24 paragraph (b), money in the account is annually appropriated to the Direct Care and
51.25 Treatment executive board to accomplish the purposes of this chapter. Gifts, grants, or
51.26 contributions received by the executive board exceeding current agency needs must be
51.27 invested by the State Board of Investment in accordance with section 11A.24. Disbursements
51.28 from the gifts, grants, and contributions account must be made in the manner provided for
51.29 the issuance of other state payments.

51.30 (b) If the gift or contribution is designated for a certain person, institution, or purpose,
51.31 the Direct Care and Treatment executive board must use the gift or contribution as specified
51.32 in accordance with the conditions of the gift or contribution if compatible with the best
51.33 interests of the person and the state. If a gift or contribution is accepted for the use and

52.1 benefit of a person with a developmental disability, including those within a state hospital,
 52.2 research relating to persons with a developmental disability must be considered an appropriate
 52.3 use of the gift or contribution. Such money must not be used for any structures or installations
 52.4 which by their nature would require state expenditures for their operation or maintenance
 52.5 without specific legislative enactment.

52.6 Subd. 2. **Facilities management account.** A facilities management account is created
 52.7 in the special revenue fund of the state treasury. Beginning July 1, 2025, money in the
 52.8 account is appropriated to the Direct Care and Treatment executive board and may be used
 52.9 to maintain buildings, acquire facilities, renovate existing buildings, or acquire land for the
 52.10 design and construction of buildings for Direct Care and Treatment use. Money received
 52.11 for maintaining state property under control of the executive board may be deposited into
 52.12 this account.

52.13 Subd. 3. **Direct Care and Treatment systems account.** (a) The Direct Care and
 52.14 Treatment systems account is created in the special revenue fund of the state treasury.
 52.15 Beginning July 1, 2025, money in the account is appropriated to the Direct Care and
 52.16 Treatment executive board and may be used for security systems and information technology
 52.17 projects, services, and support under the control of the executive board.

52.18 (b) The commissioner of human services shall transfer all money allocated to the Direct
 52.19 Care and Treatment systems projects under section 256.014 to the Direct Care and Treatment
 52.20 systems account by June 30, 2026.

52.21 Subd. 4. **Cemetery maintenance account.** The cemetery maintenance account is created
 52.22 in the special revenue fund of the state treasury. Money in the account is appropriated to
 52.23 the executive board for the maintenance of cemeteries under control of the executive board.
 52.24 Money allocated to Direct Care and Treatment cemeteries may be transferred to this account.

52.25 **EFFECTIVE DATE.** This section is effective July 1, 2024.

52.26 Sec. 24. Minnesota Statutes 2022, section 256.88, is amended to read:

52.27 **256.88 SOCIAL WELFARE FUND ESTABLISHED.**

52.28 Except as otherwise expressly provided, all moneys and funds held by the commissioner
 52.29 of human services, the Direct Care and Treatment executive board, and the local social
 52.30 services agencies of the several counties in trust or for the benefit of children with a disability
 52.31 and children who are dependent, neglected, or delinquent, children born to mothers who
 52.32 were not married to the children's fathers at the times of the conception nor at the births of
 52.33 the children, persons determined to have developmental disability, mental illness, or substance

53.1 use disorder, or other wards or beneficiaries, under any law, shall be kept in a single fund
 53.2 to be known as the "social welfare fund" which shall be deposited at interest, held, or
 53.3 disbursed as provided in sections 256.89 to 256.92.

53.4 **EFFECTIVE DATE.** This section is effective July 1, 2024.

53.5 Sec. 25. Minnesota Statutes 2022, section 256.89, is amended to read:

53.6 **256.89 FUND DEPOSITED IN STATE TREASURY.**

53.7 The social welfare fund and all accretions thereto shall be deposited in the state treasury,
 53.8 as a separate and distinct fund, to the credit of the commissioner of human services and the
 53.9 Direct Care and Treatment executive board as ~~trustee~~ trustees for ~~the~~ their respective
 53.10 beneficiaries thereof in proportion to ~~their~~ the beneficiaries' several interests. The
 53.11 commissioner of management and budget shall be responsible only to the commissioner of
 53.12 human services and the Direct Care and Treatment executive board for the sum total of the
 53.13 fund, and shall have no duties nor direct obligations toward the beneficiaries thereof
 53.14 individually. Subject to the applicable rules of the commissioner of human services or the
 53.15 Direct Care and Treatment executive board, money so received by a local social services
 53.16 agency may be deposited by the executive secretary of the local social services agency in
 53.17 a local bank carrying federal deposit insurance, designated by the local social services
 53.18 agency for this purpose. The amount of such deposit in each such bank at any one time shall
 53.19 not exceed the amount protected by federal deposit insurance.

53.20 **EFFECTIVE DATE.** This section is effective July 1, 2024.

53.21 Sec. 26. Minnesota Statutes 2022, section 256.90, is amended to read:

53.22 **256.90 SOCIAL WELFARE FUND; USE; DISPOSITION; DEPOSITORIES.**

53.23 The commissioner of human services, in consultation with the Direct Care and Treatment
 53.24 executive board, at least 30 days before the first day of January and the first day of July in
 53.25 each year shall file with the commissioner of management and budget an estimate of the
 53.26 amount of the social welfare fund to be held in the treasury during the succeeding six-month
 53.27 period, subject to current disbursement. Such portion of the remainder thereof as may be at
 53.28 any time designated by the request of the commissioner of human services may be invested
 53.29 by the commissioner of management and budget in bonds in which the permanent trust
 53.30 funds of the state of Minnesota may be invested, upon approval by the State Board of
 53.31 Investment. The portion of such remainder not so invested shall be placed by the
 53.32 commissioner of management and budget at interest for the period of six months, or when
 53.33 directed by the commissioner of human services, for the period of 12 months thereafter at

54.1 the highest rate of interest obtainable in a bank, or banks, designated by the board of deposit
54.2 as a suitable depository therefor. All the provisions of law relative to the designation and
54.3 qualification of depositories of other state funds shall be applicable to sections 256.88 to
54.4 256.92, except as herein otherwise provided. Any bond given, or collateral assigned or both,
54.5 to secure a deposit hereunder may be continuous in character to provide for the repayment
54.6 of any moneys belonging to the fund theretofore or thereafter at any time deposited in such
54.7 bank until its designation as such depository is revoked and the security thereof shall be not
54.8 impaired by any subsequent agreement or understanding as to the rate of interest to be paid
54.9 upon such deposit, or as to time for its repayment. The amount of money belonging to the
54.10 fund deposited in any bank, including other state deposits, shall not at any time exceed the
54.11 amount of the capital stock thereof. In the event of the closing of the bank any sum deposited
54.12 therein shall immediately become due and payable.

54.13 **EFFECTIVE DATE.** This section is effective July 1, 2024.

54.14 Sec. 27. Minnesota Statutes 2022, section 256.91, is amended to read:

54.15 **256.91 PURPOSES.**

54.16 From that part of the social welfare fund held in the state treasury subject to disbursement
54.17 as provided in section 256.90 the commissioner of human services or the Direct Care and
54.18 Treatment executive board at any time may pay out such amounts as the commissioner or
54.19 executive board deems proper for the support, maintenance, or other legal benefit of any of
54.20 the children with a disability and children who are dependent, neglected, or delinquent,
54.21 children born to mothers who were not married to the children's fathers at the times of the
54.22 conception nor at the births of the children, persons with developmental disability, substance
54.23 use disorder, or mental illness, or other wards or persons entitled thereto, not exceeding in
54.24 the aggregate to or for any person the principal amount previously received for the benefit
54.25 of the person, together with the increase in it from an equitable apportionment of interest
54.26 realized from the social welfare fund.

54.27 When any such person dies or is finally discharged from the guardianship, care, custody,
54.28 and control of the commissioner of human services or the Direct Care and Treatment
54.29 executive board, the amount then remaining subject to use for the benefit of the person shall
54.30 be paid as soon as may be from the social welfare fund to the persons thereto entitled by
54.31 law.

54.32 **EFFECTIVE DATE.** This section is effective July 1, 2024.

55.1 Sec. 28. Minnesota Statutes 2022, section 256.92, is amended to read:

55.2 **256.92 COMMISSIONER OF HUMAN SERVICES AND DIRECT CARE AND**
 55.3 **TREATMENT, ACCOUNTS.**

55.4 It shall be the duty of the commissioner of human services, the Direct Care and Treatment
 55.5 executive board, and of the local social services agencies of the several counties of this state
 55.6 to cause to be deposited with the commissioner of management and budget all moneys and
 55.7 funds in their possession or under their control and designated by section 256.91 as and for
 55.8 the social welfare fund; and all such moneys and funds shall be so deposited in the state
 55.9 treasury as soon as received. The commissioner of human services, in consultation with the
 55.10 Direct Care and Treatment executive board, shall keep books of account or other records
 55.11 showing separately the principal amount received and deposited in the social welfare fund
 55.12 for the benefit of any person, together with the name of such person, and the name and
 55.13 address, if known to the commissioner of human services or the Direct Care and Treatment
 55.14 executive board, of the person from whom such money was received; and, at least once
 55.15 every two years, the amount of interest, if any, which the money has earned in the social
 55.16 welfare fund shall be apportioned thereto and posted in the books of account or records to
 55.17 the credit of such beneficiary.

55.18 The provisions of sections 256.88 to 256.92 shall not apply to any fund or money now
 55.19 or hereafter deposited or otherwise disposed of pursuant to the lawful orders, decrees,
 55.20 judgments, or other directions of any district court having jurisdiction thereof.

55.21 **EFFECTIVE DATE.** This section is effective July 1, 2024.

55.22 Sec. 29. Laws 2023, chapter 61, article 8, section 1, the effective date, is amended to read:

55.23 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2025 2024.

55.24 Sec. 30. Laws 2023, chapter 61, article 8, section 2, the effective date, is amended to read:

55.25 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2025 2024.

55.26 Sec. 31. Laws 2023, chapter 61, article 8, section 3, the effective date, is amended to read:

55.27 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2025 2024.

55.28 Sec. 32. Laws 2023, chapter 61, article 8, section 8, the effective date, is amended to read:

55.29 **EFFECTIVE DATE.** This section is effective ~~January~~ July 1, 2025 2024.

56.1 **Sec. 33. INITIAL APPOINTMENTS AND COMPENSATION OF THE DIRECT**
56.2 **CARE AND TREATMENT EXECUTIVE BOARD AND CHIEF EXECUTIVE**
56.3 **OFFICER.**

56.4 Subdivision 1. **Executive board.** (a) The initial appointments of the members of the
56.5 Direct Care and Treatment executive board under Minnesota Statutes, section 246C.06,
56.6 must be made by January 1, 2025.

56.7 (b) Prior to the first Compensation Council determination of the daily compensation rate
56.8 for voting members of the executive board under Minnesota Statutes, section 246C.06,
56.9 subdivision 4, paragraph (b), voting members of the executive board must be paid the per
56.10 diem rate provided for in Minnesota Statutes, section 15.0575, subdivision 3, paragraph (a).

56.11 (c) The executive board is exempt from Minnesota Statutes, section 13D.01, until the
56.12 authority and responsibilities for Direct Care and Treatment are transferred to the executive
56.13 board in accordance with Minnesota Statutes, section 246C.04.

56.14 Subd. 2. **Chief executive officer.** (a) The Direct Care and Treatment executive board
56.15 must appoint as the initial chief executive officer for Direct Care and Treatment under
56.16 Minnesota Statutes, section 246C.07, the chief executive officer of the direct care and
56.17 treatment division of the Department of Human Services holding that position at the time
56.18 the initial appointment is made by the board. The initial appointment of the chief executive
56.19 officer must be made by the executive board by July 1, 2025.

56.20 (b) Notwithstanding Minnesota Statutes, section 246C.08, the salary of the initial chief
56.21 executive officer must not be less than the amount paid to the chief executive officer of the
56.22 direct care and treatment division of the Department of Human Services as of the date of
56.23 the initial appointment.

56.24 Subd. 3. **Commissioner of human services to consult.** In preparing the budget estimates
56.25 required under Minnesota Statutes, section 16A.10, for the direct care and treatment division
56.26 for the 2026-2027 biennial budget and any legislative proposals for the 2025 legislative
56.27 session that involve direct care and treatment operations, the commissioner of human services
56.28 must consult with the Direct Care and Treatment executive board before submitting the
56.29 budget estimates or legislative proposals. If the executive board is not appointed by the date
56.30 the budget estimates must be submitted to the commissioner of management and budget,
56.31 the commissioner of human services must provide the executive board with a summary of
56.32 the budget estimates that were submitted.

56.33 **EFFECTIVE DATE.** This section is effective July 1, 2024.

57.1 Sec. 34. **REPEALER.**

57.2 (a) Minnesota Statutes 2023 Supplement, section 246C.03, is repealed.

57.3 (b) Minnesota Statutes 2022, sections 246.01; 246.12; 246.234; 246.36; and 246.41, are
57.4 repealed.

57.5 **EFFECTIVE DATE.** This section is effective July 1, 2024.

57.6 **ARTICLE 5**

57.7 **HUMAN SERVICES CONTINGENCY**

57.8 Section 1. **[256.044] HUMAN SERVICES RESPONSE CONTINGENCY ACCOUNT.**

57.9 Subdivision 1. **Human services response contingency account.** A human services
57.10 response contingency account is created in the special revenue fund in the state treasury.
57.11 Money in the human services response contingency account does not cancel and is
57.12 appropriated to the commissioner of human services for the purposes specified in this section.

57.13 Subd. 2. **Definition.** For purposes of this section, "human services response" means
57.14 activities to respond to emerging or immediate needs related to supporting the health, welfare,
57.15 or safety of people.

57.16 Subd. 3. **Use of money.** (a) The commissioner may make expenditures from the human
57.17 services response contingency account to respond to needs as defined in subdivision 2 and
57.18 for which no other funding or insufficient funding is available.

57.19 (b) When the commissioner determines that a human services response is needed, the
57.20 commissioner may make expenditures from the human services response contingency
57.21 account for the following uses attributed to the human services response:

57.22 (1) services, supplies, and equipment to support the health, welfare, or safety of people;

57.23 (2) training and coordination with service providers, Tribal Nations, and local government
57.24 entities;

57.25 (3) communication with and outreach to impacted people;

57.26 (4) informational technology; and

57.27 (5) staffing.

57.28 (c) The commissioner may transfer money to the Department of Children, Youth, and
57.29 Families for eligible uses under paragraph (b).

58.1 (d) Money expended out of the human services response contingency account is not
 58.2 subject to requirements under chapters 16A, 16B, and 16C. Money may be distributed as
 58.3 direct payments.

58.4 **ARTICLE 6**

58.5 **TECHNICAL CORRECTIONS**

58.6 Section 1. Minnesota Statutes 2023 Supplement, section 256R.55, subdivision 9, is amended
 58.7 to read:

58.8 Subd. 9. **Carryforward.** Notwithstanding section 16A.28, subdivision 3, any
 58.9 appropriation for the purposes under this section ~~carries forward and does not lapse until~~
 58.10 ~~the close of the fiscal year in which this section expires~~ is available until June 30, 2029.

58.11 Sec. 2. Laws 2023, chapter 61, article 4, section 11, the effective date, is amended to read:

58.12 **EFFECTIVE DATE.** This section is effective January 1, ~~2024~~ 2026, or upon federal
 58.13 approval, whichever is later. The commissioner shall notify the revisor of statutes when
 58.14 federal approval is obtained.

58.15 **ARTICLE 7**

58.16 **APPROPRIATIONS**

58.17 Section 1. **HUMAN SERVICES APPROPRIATION.**

58.18 The dollar amounts shown in the columns marked "Appropriations" are added to or, if
 58.19 shown in parentheses, are subtracted from the appropriations in Laws 2023, chapter 70,
 58.20 article 20, and chapter 61, article 9, from the general fund or any fund named for the purposes
 58.21 specified in this article, to be available for the fiscal years indicated for each purpose. The
 58.22 figures "2024" and "2025" used in this article mean that the appropriations listed under them
 58.23 are available for the fiscal years ending June 30, 2024, or June 30, 2025, respectively. "The
 58.24 first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is
 58.25 fiscal years 2024 and 2025.

58.26 **APPROPRIATIONS**

58.27 **Available for the Year**

58.28 **Ending June 30**

58.29 **2024**

2025

58.30 Sec. 2. **COMMISSIONER OF HUMAN**
 58.31 **SERVICES**

59.1	<u>Subdivision 1. Total General Fund</u>		
59.2	<u>Appropriation</u>	<u>\$</u>	<u>0 \$</u> <u>18,667,000</u>
59.3	<u>The amounts that may be spent for each</u>		
59.4	<u>purpose are specified in the following</u>		
59.5	<u>subdivisions.</u>		
59.6	<u>Subd. 2. Central Office; Operations</u>		<u>-0-</u> <u>1,030,000</u>
59.7	<u>(a) Carryforward authority.</u> <u>Notwithstanding</u>		
59.8	<u>Minnesota Statutes, section 16A.28,</u>		
59.9	<u>subdivision 3, \$504,000 in fiscal year 2025 is</u>		
59.10	<u>available until June 30, 2027.</u>		
59.11	<u>(b) Base level adjustment.</u> <u>The general fund</u>		
59.12	<u>base is increased by \$266,000 in fiscal year</u>		
59.13	<u>2026 and each year thereafter.</u>		
59.14	<u>Subd. 3. Central Office; Health Care</u>		<u>-0-</u> <u>621,000</u>
59.15	<u>Base level adjustment.</u> <u>The general fund base</u>		
59.16	<u>is increased by \$726,000 in fiscal year 2026</u>		
59.17	<u>and increased by \$730,000 in fiscal year 2027.</u>		
59.18	<u>Subd. 4. Central Office; Aging and Disability</u>		
59.19	<u>Services</u>		<u>-0-</u> <u>640,000</u>
59.20	<u>(a) Tribal vulnerable adult and</u>		
59.21	<u>developmental disabilities targeted case</u>		
59.22	<u>management medical assistance benefit.</u>		
59.23	<u>\$200,000 in fiscal year 2025 is for the</u>		
59.24	<u>development of a Tribal vulnerable adult and</u>		
59.25	<u>developmental disabilities targeted case</u>		
59.26	<u>management medical assistance benefit under</u>		
59.27	<u>Minnesota Statutes, section 256B.0924. This</u>		
59.28	<u>is a onetime appropriation.</u>		
59.29	<u>(b) Base level adjustment.</u> <u>The general fund</u>		
59.30	<u>base is increased by \$517,000 in fiscal year</u>		
59.31	<u>2026 and each year thereafter.</u>		
59.32	<u>Subd. 5. Central Office; Behavioral Health,</u>		
59.33	<u>Housing, and Deaf and Hard of Hearing</u>		
59.34	<u>Services</u>		<u>-0-</u> <u>1,687,000</u>

60.1 (a) Medical assistance reentry
 60.2 demonstration. \$200,000 in fiscal year 2025
 60.3 is for engagement with people with lived
 60.4 experience, families, and community partners
 60.5 on the development and implementation of
 60.6 the medical assistance reentry demonstration
 60.7 benefit under Minnesota Statutes, section
 60.8 256B.0761. Money appropriated in fiscal year
 60.9 2025 is available until June 30, 2026.

60.10 (b) Base level adjustment. The general fund
 60.11 base is increased by \$1,958,000 in fiscal year
 60.12 2026 and each year thereafter.

60.13	<u>Subd. 6. Forecasted Programs; Medical</u>		
60.14	<u>Assistance</u>	<u>-0-</u>	<u>(1,183,000)</u>

60.15	<u>Subd. 7. Forecasted Programs; Alternative Care</u>	<u>-0-</u>	<u>1,000</u>
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60.16	<u>Subd. 8. Grant Programs; Refugee Services</u>		
60.17	<u>Grants</u>	<u>-0-</u>	<u>9,656,000</u>

60.18 Human services response contingency
 60.19 account. \$9,656,000 in fiscal year 2025 is for
 60.20 the human services response contingency
 60.21 account under Minnesota Statutes, section
 60.22 256.044. This is a onetime appropriation.

60.23	<u>Subd. 9. Grant Programs; Adult Mental Health</u>		
60.24	<u>Grants</u>	<u>-0-</u>	<u>1,250,000</u>

60.25 Medical assistance reentry demonstration
 60.26 grants. \$1,250,000 in fiscal year 2025 is for
 60.27 capacity building and implementation grants
 60.28 for the medical assistance reentry
 60.29 demonstration under Minnesota Statutes,
 60.30 section 256B.0761. Money appropriated in
 60.31 fiscal year 2025 is available until June 30,
 60.32 2026. The base for this appropriation is
 60.33 \$1,250,000 in fiscal year 2026 and \$0 in fiscal
 60.34 year 2027.

61.1	<u>Subd. 10. Direct Care and Treatment - Mental</u>		
61.2	<u>Health and Substance Abuse</u>	<u>-0-</u>	<u>(2,718,000)</u>
61.3	<u>Base level adjustment.</u> The general fund base		
61.4	is decreased by \$4,487,000 in fiscal year 2026		
61.5	and each year thereafter.		
61.6	<u>Subd. 11. Direct Care and Treatment - Forensic</u>		
61.7	<u>Services</u>	<u>-0-</u>	<u>7,182,000</u>
61.8	<u>Base level adjustment.</u> The general fund base		
61.9	is increased by \$6,612,000 in fiscal year 2026		
61.10	and each year thereafter.		
61.11	<u>Subd. 12. Direct Care and Treatment -</u>		
61.12	<u>Operations</u>	<u>-0-</u>	<u>501,000</u>
61.13	<u>Base level adjustment.</u> The general fund base		
61.14	is increased by \$617,000 in fiscal year 2026		
61.15	and \$586,000 in fiscal year 2027.		
61.16	Sec. 3. <u>DEPARTMENT OF CORRECTIONS</u> \$	<u>0</u> \$	<u>1,649,000</u>
61.17	<u>Medical assistance reentry demonstration.</u>		
61.18	<u>\$1,649,000 in fiscal year 2025 is from the</u>		
61.19	<u>general fund for planning and implementation</u>		
61.20	<u>of the medical assistance reentry</u>		
61.21	<u>demonstration. The base for this appropriation</u>		
61.22	<u>is \$1,924,000 in fiscal year 2026 and</u>		
61.23	<u>\$2,364,000 in fiscal year 2027.</u>		
61.24	Sec. 4. Laws 2023, chapter 61, article 9, section 2, subdivision 16, as amended by Laws		
61.25	2023, chapter 70, article 15, section 8, is amended to read:		
61.26	Subd. 16. Grant Programs; Disabilities Grants	113,684,000	30,377,000
61.27	(a) Temporary Grants for Small		
61.28	Customized Living Providers. \$5,450,000		
61.29	in fiscal year 2024 is for grants to assist small		
61.30	customized living providers to transition to		
61.31	community residential services licensure or		
61.32	integrated community supports licensure.		
61.33	Notwithstanding Minnesota Statutes, section		

62.1 16A.28, this appropriation is available until
62.2 June 30, 2027. This is a onetime appropriation.

62.3 **(b) Lead Agency Capacity Building Grants.**

62.4 \$444,000 in fiscal year 2024 and \$2,396,000
62.5 in fiscal year 2025 are for grants to assist
62.6 organizations, counties, and Tribes to build
62.7 capacity for employment opportunities for
62.8 people with disabilities. The base for this
62.9 appropriation is \$2,413,000 in fiscal year 2026
62.10 and \$2,411,000 in fiscal year 2027.

62.11 **(c) Employment and Technical Assistance**

62.12 **Center Grants.** \$450,000 in fiscal year 2024
62.13 and \$1,800,000 in fiscal year 2025 are for
62.14 employment and technical assistance grants
62.15 to assist organizations and employers in
62.16 promoting a more inclusive workplace for
62.17 people with disabilities.

62.18 **(d) Case Management Training Grants.**

62.19 \$37,000 in fiscal year 2024 and \$123,000 in
62.20 fiscal year 2025 are for grants to provide case
62.21 management training to organizations and
62.22 employers to support the state's disability
62.23 employment supports system. The base for
62.24 this appropriation is \$45,000 in fiscal year
62.25 2026 and \$45,000 in fiscal year 2027.

62.26 **(e) Self-Directed Bargaining Agreement;**

62.27 **Electronic Visit Verification Stipends.**

62.28 \$6,095,000 in fiscal year 2024 is for onetime
62.29 stipends of \$200 to bargaining members to
62.30 offset the potential costs related to people
62.31 using individual devices to access the
62.32 electronic visit verification system. Of this
62.33 amount, \$5,600,000 is for stipends and
62.34 \$495,000 is for administration. This is a

63.1 onetime appropriation and is available until
63.2 June 30, 2025.

63.3 **(f) Self-Directed Collective Bargaining**
63.4 **Agreement; Temporary Rate Increase**
63.5 **Memorandum of Understanding.** \$1,600,000
63.6 in fiscal year 2024 is for onetime stipends for
63.7 individual providers covered by the SEIU
63.8 collective bargaining agreement based on the
63.9 memorandum of understanding related to the
63.10 temporary rate increase in effect between
63.11 December 1, 2020, and February 7, 2021. Of
63.12 this amount, \$1,400,000 of the appropriation
63.13 is for stipends and \$200,000 is for
63.14 administration. This is a onetime
63.15 appropriation.

63.16 **(g) Self-Directed Collective Bargaining**
63.17 **Agreement; Retention Bonuses.** \$50,750,000
63.18 in fiscal year 2024 is for onetime retention
63.19 bonuses covered by the SEIU collective
63.20 bargaining agreement. Of this amount,
63.21 \$50,000,000 is for retention bonuses and
63.22 \$750,000 is for administration of the bonuses.
63.23 This is a onetime appropriation and is
63.24 available until June 30, 2025.

63.25 **(h) Self-Directed Bargaining Agreement;**
63.26 **Training Stipends.** \$2,100,000 in fiscal year
63.27 2024 and \$100,000 in fiscal year 2025 are for
63.28 onetime stipends of \$500 for collective
63.29 bargaining unit members who complete
63.30 designated, voluntary trainings made available
63.31 through or recommended by the State Provider
63.32 Cooperation Committee. Of this amount,
63.33 \$2,000,000 in fiscal year 2024 is for stipends,
63.34 and \$100,000 in fiscal year 2024 and \$100,000

64.1 in fiscal year 2025 are for administration. This
64.2 is a onetime appropriation.

64.3 **(i) Self-Directed Bargaining Agreement;**
64.4 **Orientation Program.** \$2,000,000 in fiscal
64.5 year 2024 and \$2,000,000 in fiscal year 2025
64.6 are for onetime \$100 payments to collective
64.7 bargaining unit members who complete
64.8 voluntary orientation requirements. Of this
64.9 amount, \$1,500,000 in fiscal year 2024 and
64.10 \$1,500,000 in fiscal year 2025 are for the
64.11 onetime \$100 payments, and \$500,000 in
64.12 fiscal year 2024 and \$500,000 in fiscal year
64.13 2025 are for orientation-related costs. This is
64.14 a onetime appropriation.

64.15 **(j) Self-Directed Bargaining Agreement;**
64.16 **Home Care Orientation Trust.** \$1,000,000
64.17 in fiscal year 2024 is for the Home Care
64.18 Orientation Trust under Minnesota Statutes,
64.19 section 179A.54, subdivision 11. The
64.20 commissioner shall disburse the appropriation
64.21 to the board of trustees of the Home Care
64.22 Orientation Trust for deposit into an account
64.23 designated by the board of trustees outside the
64.24 state treasury and state's accounting system.
64.25 This is a onetime appropriation and is
64.26 available until June 30, 2025.

64.27 **(k) HIV/AIDS Supportive Services.**
64.28 \$12,100,000 in fiscal year 2024 is for grants
64.29 to community-based HIV/AIDS supportive
64.30 services providers as defined in Minnesota
64.31 Statutes, section 256.01, subdivision 19, and
64.32 for payment of allowed health care costs as
64.33 defined in Minnesota Statutes, section
64.34 256.9365. This is a onetime appropriation and
64.35 is available until June 30, 2025.

65.1 **(l) Motion Analysis Advancements Clinical**
65.2 **Study and Patient Care.** \$400,000 is fiscal
65.3 year 2024 is for a grant to the Mayo Clinic
65.4 Motion Analysis Laboratory and Limb Lab
65.5 for continued research in motion analysis
65.6 advancements and patient care. This is a
65.7 onetime appropriation and is available through
65.8 June 30, 2025.

65.9 **(m) Grant to Family Voices in Minnesota.**
65.10 \$75,000 in fiscal year 2024 and \$75,000 in
65.11 fiscal year 2025 are for a grant to Family
65.12 Voices in Minnesota under Minnesota
65.13 Statutes, section 256.4776.

65.14 **(n) Parent-to-Parent Programs.**
65.15 (1) \$550,000 in fiscal year 2024 and \$550,000
65.16 in fiscal year 2025 are for grants to
65.17 organizations that provide services to
65.18 underserved communities with a high
65.19 prevalence of autism spectrum disorder. This
65.20 is a onetime appropriation and is available
65.21 until June 30, 2025.

65.22 (2) The commissioner shall give priority to
65.23 organizations that provide culturally specific
65.24 and culturally responsive services.

65.25 (3) Eligible organizations must:

65.26 (i) conduct outreach and provide support to
65.27 newly identified parents or guardians of a child
65.28 with special health care needs;

65.29 (ii) provide training to educate parents and
65.30 guardians in ways to support their child and
65.31 navigate the health, education, and human
65.32 services systems;

66.1 (iii) facilitate ongoing peer support for parents
66.2 and guardians from trained volunteer support
66.3 parents; and

66.4 (iv) communicate regularly with other
66.5 parent-to-parent programs and national
66.6 organizations to ensure that best practices are
66.7 implemented.

66.8 (4) Grant recipients must use grant money for
66.9 the activities identified in clause (3).

66.10 (5) For purposes of this paragraph, "special
66.11 health care needs" means disabilities, chronic
66.12 illnesses or conditions, health-related
66.13 educational or behavioral problems, or the risk
66.14 of developing disabilities, illnesses, conditions,
66.15 or problems.

66.16 (6) Each grant recipient must report to the
66.17 commissioner of human services annually by
66.18 January 15 with measurable outcomes from
66.19 programs and services funded by this
66.20 appropriation the previous year including the
66.21 number of families served and the number of
66.22 volunteer support parents trained by the
66.23 organization's parent-to-parent program.

66.24 **(o) Self-Advocacy Grants for Persons with**
66.25 **Intellectual and Developmental Disabilities.**
66.26 \$323,000 in fiscal year 2024 and \$323,000 in
66.27 fiscal year 2025 are for self-advocacy grants
66.28 under Minnesota Statutes, section 256.477.

66.29 This is a onetime appropriation. Of these
66.30 amounts, \$218,000 in fiscal year 2024 and
66.31 \$218,000 in fiscal year 2025 are for the
66.32 activities under Minnesota Statutes, section
66.33 256.477, subdivision 1, paragraph (a), clauses
66.34 (5) to (7), and for administrative costs, and

67.1 \$105,000 in fiscal year 2024 and \$105,000 in
67.2 fiscal year 2025 are for the activities under
67.3 Minnesota Statutes, section 256.477,
67.4 subdivision 2.

67.5 **(p) Technology for Home Grants.** \$300,000
67.6 in fiscal year 2024 and \$300,000 in fiscal year
67.7 2025 are for technology for home grants under
67.8 Minnesota Statutes, section 256.4773.

67.9 **(q) Community Residential Setting**
67.10 **Transition.** \$500,000 in fiscal year 2024 is
67.11 for a grant to Hennepin County to expedite
67.12 approval of community residential setting
67.13 licenses subject to the corporate foster care
67.14 moratorium exception under Minnesota
67.15 Statutes, section 245A.03, subdivision 7,
67.16 paragraph (a), clause (5).

67.17 **(r) Base Level Adjustment.** The general fund
67.18 base is \$27,343,000 in fiscal year 2026 and
67.19 \$27,016,000 in fiscal year 2027.

67.20 **Sec. 5. REDUCTIONS IN HUMAN SERVICES APPROPRIATIONS,**
67.21 **CANCELLATIONS, AND REAPPROPRIATIONS.**

67.22 **Subdivision 1. Central operations adjustments.** (a) The general fund appropriation in
67.23 Laws 2023, chapter 61, article 9, section 2, subdivision 2, for fiscal year 2024 is reduced
67.24 by \$592,000, and that amount cancels to the general fund.

67.25 (b) \$592,000 in fiscal year 2025 is appropriated from the general fund to the commissioner
67.26 of human services for central operations administrative costs. This appropriation is available
67.27 until June 30, 2027.

67.28 (c) The general fund appropriation in Laws 2023, chapter 61, article 9, section 2,
67.29 subdivision 5, for fiscal year 2024 is reduced by \$1,347,000, and that amount cancels to the
67.30 general fund.

67.31 (d) \$1,347,000 in fiscal year 2025 is appropriated from the general fund to the
67.32 commissioner of human services to study presumptive financial and functional eligibility

68.1 for people with disabilities and older adults under Laws 2023, chapter 61, article 1, section
68.2 81. This appropriation is available until June 30, 2027.

68.3 Subd. 2. **Transition to community initiative.** (a) The general fund appropriation in
68.4 Laws 2023, chapter 70, article 20, section 16, subdivision 1, paragraph (b), is reduced by
68.5 \$8,900,000 for fiscal year 2024, and this amount cancels to the general fund.

68.6 (b) The general fund appropriation in Laws 2023, chapter 70, article 20, section 2,
68.7 subdivision 29, is reduced by \$1,811,000 for fiscal year 2025.

68.8 (c) The general fund base in Laws 2023, chapter 70, article 20, section 2, subdivision
68.9 29, paragraph (f), is reduced by \$1,811,000 in fiscal years 2026 and 2027 and each year
68.10 thereafter.

68.11 (d) \$8,900,000 in fiscal year 2024 and \$1,811,000 in fiscal year 2025 are appropriated
68.12 from the general fund to the commissioner of human services for the transition to community
68.13 initiative under Minnesota Statutes, section 256.478. The base for this appropriation is
68.14 \$1,811,000 in fiscal year 2026 and each year thereafter. The appropriation in fiscal year
68.15 2024 is available until June 30, 2027.

68.16 **EFFECTIVE DATE.** This section is effective the day following final enactment or
68.17 retroactively from June 30, 2024, whichever is earlier.

246.01 POWERS AND DUTIES.

The commissioner of human services is hereby specifically constituted the guardian of all persons with developmental disabilities, the guardianship of whom has heretofore been vested in the State Board of Control or in the director of social welfare whether by operation of law or by an order of court without any further act or proceeding, and all the powers and duties vested in or imposed upon the State Board of Control or the director of social welfare, with reference to mental testing of persons with developmental disability, and with reference to the institutions of the state of Minnesota except correctional facilities administered and managed by the commissioner of corrections, are hereby transferred to, vested in, and imposed upon the commissioner of human services, and in relation thereto is hereby charged with and shall have the exclusive power of administration and management of all of the following state institutions: state hospitals for persons with developmental disability, mental illness, or substance use disorder. The commissioner shall have power and authority to determine all matters relating to the unified and continuous development of all of the foregoing institutions and of such other institutions, the supervision of which may, from time to time, be vested in the commissioner. It is intended that there be vested in the commissioner all of the powers, functions, and authority heretofore vested in the State Board of Control relative to such state institutions. The commissioner shall have the power and authority to accept, in behalf of the state, contributions and gifts of money and personal property for the use and benefit of the residents of the public institutions under the commissioner's control, and all money and securities so received shall be deposited in the state treasury subject to the order of the commissioner of human services. If the gift or contribution is designated by the donor for a certain institution or purpose, the commissioner of human services shall expend or use the same as nearly as may be in accordance with the conditions of the gift or contribution, compatible with the best interests of the inmates and the state. The commissioner of human services is hereby constituted the "state agency" as defined by the Social Security Act of the United States and the laws of this state for all purposes relating to mental health and mental hygiene.

For the purpose of carrying out these duties, the commissioner of human services shall accept from wards with developmental disabilities for whom the commissioner is specifically appointed guardian a signed application for consent to the marriage of said ward. Upon receipt of such application the commissioner shall promptly conduct such investigation as the commissioner deems proper and determine if the contemplated marriage is for the best interest of the ward and the public. A signed copy of the commissioner's determination shall be mailed to the ward and to the court administrator of the district court of the county where the application for such marriage license was made.

There is hereby appropriated to such persons or institutions as are entitled to such sums as are provided for in this section, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make such payment.

246.12 BIENNIAL ESTIMATES; SUGGESTIONS FOR LEGISLATION.

The commissioner of human services shall prepare, for the use of the legislature, biennial estimates of appropriations necessary or expedient to be made for the support of the institutions and for extraordinary and special expenditures for buildings and other improvements. The commissioner shall, in connection therewith, make suggestions relative to legislation for the benefit of the institutions. The commissioner shall report the estimates and suggestions to the legislature on or before November 15 in each even-numbered year. The commissioner of human services on request shall appear before any legislative committee and furnish any required information in regard to the condition of any such institution.

246.234 RECIPROCAL EXCHANGE OF CERTAIN PERSONS.

The commissioner of human services is hereby authorized and empowered with the approval of the governor to enter into reciprocal agreements with any other state or states, through the duly authorized authorities thereof, regarding the mutual exchange, return, and transportation of persons with mental illness or developmental disabilities who are within the confines of one state but have legal residence or legal settlement for the purposes of relief in another state. Such agreements shall contain no provisions conflicting with any law of this state.

246.36 ACCEPTANCE OF VOLUNTARY, UNCOMPENSATED SERVICES.

For the purpose of carrying out a duty, the commissioner of human services shall have authority to accept uncompensated and voluntary services and to enter into contracts or agreements with private or public agencies, or persons, for uncompensated and voluntary services, as the commissioner may deem practicable. Uncompensated and voluntary services do not include services mandated

by licensure and certification requirements for health care facilities. The volunteer agencies, organizations, or persons who provide services to residents of state facilities operated under the authority of the commissioner are not subject to the procurement requirements of chapters 16A and 16C. The agencies, organizations, or persons may purchase supplies, services, and equipment to be used in providing services to residents of state facilities through the Department of Administration.

246.41 BENEFIT FOR PERSONS WITH DEVELOPMENTAL DISABILITIES.

Subdivision 1. **Acceptance.** The commissioner of human services is authorized to accept, for and in behalf of the state, contributions of money for the use and benefit of persons with developmental disabilities.

Subd. 2. **Special welfare fund.** Any money so received by the commissioner shall be deposited with the commissioner of management and budget in a special welfare fund, which fund is to be used by the commissioner of human services for the benefit of persons with developmental disabilities within the state, including those within state hospitals. And, without excluding other possible uses, research relating to persons with developmental disabilities shall be considered an appropriate use of such funds; but such funds shall not be used for any structures or installations which by their nature would require state expenditures for their operation or maintenance without specific legislative enactment therefor.

Subd. 3. **Appropriation.** There is hereby appropriated from the special welfare fund in the state treasury to such persons as are entitled thereto to carry out the provisions stated in this section.

246C.03 TRANSITION OF AUTHORITY; DEVELOPMENT OF A BOARD.

Subdivision 1. **Authority until board is developed and powers defined.** On July 1, 2023, the commissioner of human services shall continue to exercise all authorities and responsibilities under chapters 13, 245, 246, 246B, 252, 253, 253B, 253C, 253D, 254A, 254B, and 256, until legislation is effective that develops the Department of Direct Care and Treatment executive board and defines the responsibilities and powers of the Department of Direct Care and Treatment and its executive board.

Subd. 2. **Development of Department of Direct Care and Treatment Board.** (a) The commissioner of human services shall prepare legislation for introduction during the 2024 legislative session, with input from stakeholders the commissioner deems necessary, proposing legislation for the creation and implementation of the Direct Care and Treatment executive board and defining the responsibilities, powers, and function of the Department of Direct Care and Treatment executive board.

(b) The Department of Direct Care and Treatment executive board shall consist of no more than five members, all appointed by the governor.

(c) An executive board member's qualifications must be appropriate for overseeing a complex behavioral health system, such as experience serving on a hospital or non-profit board, serving as a public sector labor union representative, experience in delivery of behavioral health services or care coordination, or working as a licensed health care provider, in an allied health profession, or in health care administration.

256S.205 CUSTOMIZED LIVING SERVICES; DISPROPORTIONATE SHARE RATE ADJUSTMENTS.

Subd. 4. **Designation as a disproportionate share facility.** (a) By October 15 of each application year, the commissioner must designate as a disproportionate share facility a facility that complies with the application requirements of subdivision 2 and meets the eligibility criteria of subdivision 3.

(b) An annual designation is effective for one rate year.