

Human Services (Hoffman/Noor); Chapter 125

Reference materials:

- [Spreadsheet](#)
- [Summary](#)

Bill review:

Article 1 – Disability Services: Eliminates parental fees for certain mental health and disability residential facilities; provides a temporary exception to the moratorium on licensing new community residential settings; provides MnCHOICES flexibility, increase the transitional supports allowance; modifies the consumer-directed community supports (CDCS) option; prohibits providers from coercing waiver service recipients to change waivers; develops an MA hospital transition benefit; develops Tribal targeted case management; modifies early intensive developmental and behavioral intervention (EIDBI) provider qualifications; requires a disability services person-centered engagement and navigation study; establishes the Legislative Task Force on Guardianship; provides for assistive technology lead agency partnerships; reimburses parents and spouses for providing personal care assistant (PCA) services; establishes a pediatric hospital-to-home transition pilot program; and establishes own home services provider capacity-building.

- Sections 1, 6, 7, 28, 48: **Eliminates parental fees for parents with incomes over 275% of FPG whose children receive MA in disability or residential settings.**
- Section 4: Adds to licensing moratorium new community residential setting licenses for people affected by the closure of homes with capacity of five or six beds currently licensed as supervised living but not ICFs through June 30, 2025.
- Section 5: Allows DHS to issue an adult foster care or community residential setting with a capacity of 5-6 adults to facilities if the variance is otherwise compliant and is recommended by the county in which the facility is located.
- Sections 8-9: Creates new definition of “local system needs planning.”
- Section 11: Creates new definition of “related condition” under section 256B.02.
- Sections 12, 17, 20, 27: **Addresses contracted case management to say that if a county contracts for case management, the competitive proposal process must include evaluation criteria to ensure that the county maintains a culturally-responsive program for case management services adequate to meet their population needs.**
- Sections 13-16: **modifications to MnCHOICES:**
 - Section 13: Allows counties to continue contracting for MnCHOICES assessments.
 - Section 14: Eliminates requirement for two years of HCBS experience for MnCHOICES assessors.
 - Section 15: Modifies timeline in which a county must visit an individual requesting long-term care consultation from 20 “calendar” to 20 “working” days.
 - Section 16: Extends validity of MnCHOICES assessments from 60 to 365 days.
- Section 19: EIDBI provider credentialing.
- Section 21: Removes statutory waiver plan language related to transitional support allowances

- Section 22: Directs lead agency to provide waiver participant/legal representative with explanation of how the participant's consumer-directed community supports services budget was calculated, a copy of the formula used to calculate the budget, and information about the participant's right to appeal.
- Section 23: Underlines that consumer-directed supports policies are created by DHS and that lead agencies must not create or implement policies in addition to or inconsistent with DHS policies or federal law.
- Section 24: Prohibits providers from coercing service recipient to change waiver programs or move to a different location.
- Section 30: Directs DHS to develop a state plan service for home care services provided during acute care hospital stays.
- Section 33: **Allows counties to establish partnerships with enrolled MA providers to evaluate the benefits of informed choice in accessing assistive technology HCBS waiver services.** Language permissive – not required.
- Section 34: Directs DHS to modify HCBS waiver plans regarding consumer-directed supports to clarify allowable coverage.
- Section 35: Directs DHS to explore options to permit reimbursement of community-first services and supports workers; report due by February 1, 2025.
- Section 36: Directs DHS to amend disability waiver plans to reimburse for delivery of unit-based services for stay in acute care hospital settings.
- Section 37: Directs DHS to establish a one-time grant program to assist home care service providers with a portion of the costs of implementing electronic visit verification.
- Section 38: Creates grant program for financially-distressed rural EIDBI services.
- Section 39: **Creates a legislative task force on guardianship, including a county appointee.**
- Section 40: Increases the transitional supports allowance from \$3,000 to \$5,000.
- Section 41: Directs DHS to develop a Tribal vulnerable adult/developmental disability targeted case management service as a covered MA benefit; report due January 1, 2025.
- Section 42: Directs DHS to explore options to simplify document requirements for direct support professionals who live in the same home they support and are reimbursed for services subject to electronic visit verification; report due February 1, 2025.
- Section 43: Creates one-time payments to MA disability waiver customized living and community residential providers to assist with transition from small, customized living settings to licensed community residential services.
- Section 44: Directs DHS to contract for design/administration of a study of a person's experience in accessing and navigating MA state plan and HCBS waiver services and state-funded disability services.
- Section 45: Allows for MA reimbursement for PCA services provided by a parent or spouse. Expires upon full implementation of community first services and supports; effective October 1, 2024.
- Section 46: Establishes the own home services provider capacity-building grant.
- Section 47: Directs DHS to award a single grant to a home care nursing provider to develop a pilot program to expedite pediatric hospital to home discharges for MA patients.

Article 2 – Aging Services: Allows for certain assisted living facilities to relocate; provides for transfer of customized living setting enrollment dates; modifies requirements for assisted living required services; requires training in mental illness and de-escalation in assisted living facilities; modifies the caregiver support services program and caregiver respite services; modifies the alternative care program; expands the financially distressed nursing facility loan program to other long-term services and supports providers; temporarily modifies nursing facility property rates for certain nursing facilities; provides for elderly waiver budget and rate exceptions for high-needs participants; and sunsets the elderly waiver disproportionate share payments.

- Section 1: Relocation of an assistive living facility; license requirements.
- Section 2: Minimum requirements for food services; creates limited exceptions to the food code for small assisted living facilities.
- Section 3: Minimum required food services for all assistive living facilities.
- Section 4: Minimum requirements for housekeeping, laundry, recreation and access to community resources.
- Section 5: Orientation of staff and supervisors, by allowing staff to move to another assisted living facility owned or managed by the same entity as the previous facility without repeating certain training and orientation requirements, provided the staff person receives supplementary training related to the specific facility and license-type.
- Sections 6-7: Training on mental illness and deescalation, which specifies the required amount, frequency, and content of training in mental health and deescalation techniques all supervisors, direct care staff, and all other employees of assisted living facilities must complete.
- Sections 10-11: Removes older adults from eligibility for caregiver respite services grants.
- Sections 12-13: Permits transition planning in the alternative care program.
- Section 14: **Increases the property rate component for four nursing homes (in Ramsey, St. Louis, Fillmore, and Otter Tail Counties)** based on recent capital improvements of the facilities.
- Section 15: Limited exemption from the customized living setting moratorium and age limitations that were in operation before 2021.
- Section 16: **Transitions the financially-distressed nursing facility loan program to be used for long-term services and supports.**
- Section 17: Establishes a process for requesting elderly waiver budget exceptions and elderly waiver rate exceptions for individuals awaiting discharge from a hospital whose needs cannot be adequately met in the community without additional resources; effective January 1, 2026.
- Sections 18-21: Temporary rate adjustments for disproportionate share facilities, customized living, and 24-hour customized living.
- Section 22: **Requires DHS to perform an analysis and submit to the Legislature by December 31, 2025, recommendations to reform the HCBS system to better service older adults with high support needs.**

Article 3 – Substance Use Disorder Services: Removes the sunset on opioid manufacturer and distributor fees; expands the uses of opiate epidemic response fund appropriations, modifies peer recovery support services; provides a 3% rate increase for residential substance use disorder services; and establishes a reentry demonstration waiver.

- Sections 1, 20: **Modifies the Opiate Response Fund allocation and eliminates OERAC sunset; no cost.**
- Section 2: Adds peer recovery support services as an allowable service in nonresidential or residential programs.
- Sections 3-11: Defines eligibility requirements for peer recovery support services vendors, modifies peer recovery support services qualifications and definition of individual recovery plan.
- Sections 12-14, 17, 18: **Directs DHS to submit a waiver application for an MA demonstration project to provide health care and coordination services to bridge community-based services for individuals in state, local, or Tribal correctional facilities.**
 - Subdivision 7 **creates a Reentry Services Working Group that includes county appointments**, effective July 1, 2024.
 - Section 17: Directs DHS to establish capacity-building grants for local correctional facilities to prepare to implement demonstration services.
- Section 15: Directs the Ombudsman for Mental Health and Developmental Disability to report summary information on complaints regarding peer recovery support services provided by recovery community organizations; report due September 30, 2025.
- Section 16: DHS directive to convene a working group to develop recommendations on peer recovery services, including reimbursement and billing models:
 - Working group **includes a representative of county social services agencies**. Working group appointments must be done by October 1, 2024, with the first meeting by December 1, 2024.
- Section 19: Directs DHS to increase rates for residential SUD services by 3 percent for the 1115 demonstration base rates in effect as of January 1, 2024.

Article 4 – Priority Admissions and Civil Commitment: Implements some of the recommendations from the Task Force on Priority Admissions to State-Operated Treatment Programs, reimburses Beltrami and Todd Counties for certain cost of care payments, and establishes a Task Force on Mentally Ill and Dangerous Civil Commitment Reform.

- Section 1: Modifies requirements for locked IRTS facilities.
- Section 2: Would require legislative approval of state-operated facility closure if the closure is proposed and the state and bargaining unit fail to agree on solution to transfer affected state employees to other positions.
- Sections 3-4: **Modifies county cost share for mentally ill and dangerous individuals transferring between state-operated facilities by adding Department of Corrections facilities for the 3-month period of April 1, 2025, through June 30, 2025.**
 - Section 5: **Modifies the priority admissions standards for patients being admitted to DCT programs from jails and correctional institutions and directs the medical director to notify source of referral and responsible county within 4 days of determining appropriate placement. The designated agency must transport the individual within 48 hours after the offered admission date.** Modifications to standards include:
 - Length of time the person has been on a waiting list
 - Intensity of treatment
 - Person’s revoked provisional discharge status

- Person's safety (and safety of others) in current environment
 - Person's access to court-ordered treatment
 - Negative impacts of admission delay
 - Any relevant federal prioritization requirements
- Section 6: Addresses MA payments for individuals ordered to participate in intensive residential treatment services.
- Section 7: **Creates Priority Admissions Review Panel:**
 - Panel consists of all members of the Task Force on Priority Admissions to State-Operated Treatment Programs (2023) and one public union member.
 - **Directive of the panel includes evaluation of the 48-hour timeline for priority admissions.**
 - Report is due February 1, 2025.
 - **After the panel completes one year of review, a quality committee established by DCT executive board must continue to review data and seek input from counties, hospitals, providers and advocates, with routine reports on the framework.**
- Section 8: **Relief of cost of care for Beltrami and Todd Counties:**
 - For Beltrami County, the debt relief includes cost of care payments between July 1, 2022, and June 30, 2023.
 - For Todd County, the debt relief includes cost of care payments between August 22, 2023, and February 3, 2024, not to exceed \$387,000.
- Section 9: **Establishes the Mentally Ill and Dangerous Civil Commitment Reform Task Force:**
 - The 17-member task force, includes appointments by AMC, MACSSA, Minnesota County Attorneys Association, and a judge.
 - Duties include analyzing current and national trends/practices, developing statutory and funding recommendations, make recommendations to reduce barriers to discharge, and statutory changes to provide clear direction to DHS and facilities for civilly-committed individuals who are later determined to not have a mental disorder.
 - Report is due August 1, 2025, and the task force expires January 1, 2026.
- Section 10: **Establishes the engagement services pilot program and directs the agency to issue one award to Otter Tail County for this purpose:**
 - Grant dollars can be used to create voluntary engagement services with assertive attempts, assess an individual's existing support systems, provide education on restricting means of harms and suicide prevention, collaborate with individual to meet various needs (housing, food, income, etc.), conduct outreach to families and providers.
- Section 11: **Directs DHS to approve a limited exception to add up to 10 patients who have been civilly committed, are in hospital settings, and on the waiting list for DCT beds.**
- Section 12: **Establishes a pilot program to provide payment to counties to support correctional facilities administering long-acting injectable antipsychotic medication for mental health treatment.**
- Section 13: Directs DCT to report on recommendations to increase inpatient substance use disorder beds by January 15, 2025, including within 35 miles of the existing CARE-St. Peter facility.

Article 5 – Direct Care and Treatment: Establishes the Direct Care and Treatment (DCT) agency and the powers and duties of the DCT executive board and chief executive officer.

- Sections 1-21, 25-34, 36-39, 42-45: Conforming changes for the new agency.
- Section 22: outlines the powers and duties of the executive board:
 - Directs executive board to appoint a CEO.
 - Directs executive board to operate within certain principles, including prevent waste, fraud, and abuse; unnecessary public spending; use technology where appropriate; manage state resources effectively; and utilize constructive labor management practices.
- Section 23: Outlines duties of the DCT CEO.
- Section 24: Establishes DCT accounts.
- Section 35: Establishes the DCT executive board and governance:
 - 9-member executive board with 7 voting members and 2 nonvoting members:
 - 6 members appointed by the Governor with advice and consent of the Senate with the following qualifications:
 - 1 member must be a licensed physician with experience serving behavioral health patients (initial term of 2 years);
 - 2 members must have experience serving in a hospital or nonprofit board (initial term of 3 years); and
 - **3 members must have experience working in delivery of behavioral health services or care coordination or traditional healing;** as a licensed health care professional; within health care administration; or residential services (initial term of 4 years).
 - DHS
 - **2 nonvoting members** that must be appointed as follows:
 - 1 member appointed by AMC; and
 - 1 member with an active role as a union representative representing DCT staff (joint appointment from public unions).
 - The CEO will be appointed by the executive board, in consultation with the Governor, with advice and consent of the Senate.
 - Membership must include representation from outside the 7-county area.
 - **A voting member of the executive board must not be (or have been within one year of appointment) a DCT employee, a county employee or commissioner, active employee or labor representative of DCT or member of the state Legislature.**
- Section 40: **Establishes a DCT advisory committee, created by the executive board to provide state legislators, counties, union representatives, etc. the opportunity to advise the executive board.** Appointments should be made by January 1, 2026, with expiration of the advisory committee scheduled for December 31, 2027:
 - 2 members by the Senate (one from majority, one from minority)
 - 2 members by the House (one from majority, one from minority)
 - 1 member appointed by AMC
 - 1 member appointed by representatives from the public employee unions
 - 1 member appointed by NAMI
 - 2 members representing individuals with lived experience

- Section 41: initial appointments and compensation of the DCT executive board and CEO.

Article 6 – Miscellaneous: Provides for free communication services for patients and clients in any Direct Care and Treatment (DCT) program or facility; establishes a community care hub planning grant; requires the commissioner to consult with others on targeted case management redesign; requires the commissioner to develop a health-related social needs waiver, requires the commissioner to study navigator reimbursement, and establishes a working group on simplifying supportive housing resources.

- Section 1: Directs DCT facilities to offer free communications services for patients and clients.
- Section 2: **Establishes a community care hub planning grant to develop and design a community care hub model that serves as a centralized administrative and operational interface between health care institutions and community-based organizations to provide culturally-informed services to address health-related social needs and community-informed health promotion programs.**
- Section 3: **Directs MDH to seek a federal waiver for unmet health-related social needs, including nutrition, housing support, case management, and violence prevention.**
- Section 4: Establishes a working group to examine simplification of supportive housing services. Includes 19 members with representatives from Hennepin and **St. Louis Counties**; report due January 15, 2026.
- Section 5: Directs DHS to work with the Minnesota Housing Finance Agency to report on various agency activities to reduce homelessness; includes declarative statement that homelessness is a pressing public need.
- Section 6: **Directs DHS to consult with counties to improve case management information systems, including transition to use 15-minute unit rate or improved financial reporting for FFS targeted case management; SSIS must be modified to support.**

Article 7 – Human Services Response Contingency Account: Creates a human services response contingency account in the special revenue fund at the state treasury. DHS is allowed to make expenditures from this account to respond to needs for which no other funding (or insufficient funding) is available, including:

- **Services, supplies, and equipment to support the health welfare or safety of people**
- **Training and coordination with service providers, Tribal nations, and local government entities**
- Communication and outreach to impacted people
- Informational technology
- Staffing
- DHS is allowed to transfer money within DHS to DCYF for eligible uses.
- Reports on use of the funds are due annually to the Legislature on March 1 each year.

Article 8 – Appropriations: (1) appropriates money for various human services programs related to disability services, aging services, substance use disorder services, priority admissions and civil commitment, Direct Care and Treatment, the Human Services Response Contingency Account, and miscellaneous services and programs; (2) appropriates money to MDH; (3) appropriates money to the Council on Disability; (4) appropriates money to the Department of Corrections; (5) appropriates money to the Department of Employment and Economic Development; and (6) makes technical corrections to 2023 appropriations.

DHS Appropriations:

- **Priority Admissions Modifications; Task Force; Expanding Access to DCT; Carlton CARES Facility Remaining Open; \$15.752 million (FY25); \$8.989 million (FY26-27)**
 - Mental Health/Substance Abuse Treatment Services: \$977,000 (FY25); ongoing
 - **Forensic Services: \$6.752 million (FY25); \$13.2 million (FY26-27)**
 - **Forensic Services/Employee Incentives; \$1 million (FY25)**
 - DCT Operations; \$2.448 million (FY25); \$31,000 (FY26)
 - Cost of Care Collections: savings (-\$3.024 million) (FY25); (-\$6.22 million) (FY26-27)
 - **Mental Health Innovation Grants; \$1.321 million (FY25)**
 - **Engagement Services Pilot Program; \$1.25 million (FY25)**
 - **Injectable Medication Pilot; \$1 million (FY25)**
 - Locked IRTS Start-Up Grant; \$1 million (FY25)
 - **DCT Operations; Miller Building Planning; \$1.796 million (FY25)**
 - Reduction of DNMC Revenue; \$1.010 million (FY25)
- **Establish an Engagement Services Pilot Project in Otter Tail County; \$250,000 (FY25)**
- Acute Care Transitions for People with Disabilities and Complex Health Conditions; \$940,000 (FY25); \$6.2 million (FY26-27)
- **Reducing Recidivism and Preventing Overdoses/Federal Reentry 1115 Medicaid Waiver and Bridging Benefits; \$4.817 million (FY25); \$8.037 million (FY26-27)**
- Establish a Human Services Response Contingency Account; \$4 million (FY25)
- 3% SUD Provider Rate Increase; \$451,000 (FY25); \$2.29 million (FY26-27)
- Disproportionate Share Program Rate Floor Reduction; savings (-\$948,000) (FY25); (-\$8 million) (FY26-27)
- DCT Advisory Council; \$482,000 (FY25)
- **Parental Fee Elimination; \$239,000 (FY25); \$478,000 (FY26-27)**
- Health Related Social Needs 1115 Waiver Plan; \$709,000 (FY25)
- Electronic Visit Verification Simplification Report; \$102,000 (FY25)
- Community First Services and Supports Worker Reimbursement Report; \$170,000 (FY25)
- Funding a Disability Services Person-Centered Engagement and Navigation Study; \$614,000 (FY25)
- Electronic Visit Verification Grants for Home Care Service Providers; \$1 million (FY25)
- Establish Emergency Relief Grants for Rural EIDBI Providers; \$648,000 (FY25)
- Funding for Own Home Services Provider Capacity-Building Grant; \$1.655 million (FY25)
- Establish a Pediatric Hospital-to-Home Transition Pilot Program; \$1.324 million (FY25)
- Funding for PCA Services Provided by Parents/Spouses; \$4.834 million (FY25)
- **Homelessness Report; \$392,000 (FY25)**
- **Targeted Case Management Redesign; \$532,000 (FY25)**
- Additional Funding for Caregiver Respite Services Grants; \$2.215 million (FY25)
- **Beltrami/Todd Counties Debt Forgiveness for Certain Cost of Care Payments; 7/1/22 through 6/30/23; \$724,000 (FY25)**
- Nursing Home Loan Program Expansion; \$462,000 (FY25); \$822,000 (FY26)
- Temporary Free Communications for Patients and Clients of Certain DCT Facilities; \$1.368 million (FY25)
- Funding for a Health Awareness Hub Pilot Project and Chapter 245D Compliance Support; \$500,000 (FY25)
- **Dakota County Disability Services Workforce Shortage Pilot Project; \$603,000 (FY25)**

- Administrative Underspend; \$2.438 million (FY25)
- Traditional Background Studies Reduction; savings (-\$4 million) (FY26-27)
- Semi-Independent Living (SILS) Grant; underspend (-\$3 million) (FY24-25); (-\$2 million) (FY26-27)
- Additional Funding for Food Security; \$5 million (FY25)

MDH Appropriations:

- Establish Community Care Hub Grant; \$554,000 (FY25)
- **Cannabis Education Grant Reduction; Local Health Departments;** savings (-\$7.3 million) (FY26-27)