

SENATE  
STATE OF MINNESOTA  
NINETY-FOURTH SESSION

S.F. No. 2896

(SENATE AUTHORS: COLEMAN, Hoffman and Abeler)

DATE	D-PG	OFFICIAL STATUS
03/24/2025	Introduction and first reading Referred to Human Services	

1.1A bill for an act

1.2relating to human services; modifying nonemergency medical transportation

1.3provisions; amending Minnesota Statutes 2024, sections 256B.04, subdivisions

1.412, 14; 256B.0625, subdivision 17, by adding a subdivision; repealing Minnesota

1.5Statutes 2024, section 256B.0625, subdivisions 18b, 18e, 18h.

1.6BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7Section 1. Minnesota Statutes 2024, section 256B.04, subdivision 12, is amended to read:

1.8Subd. 12. **Limitation on services.** (a) The commissioner shall place limits on the types

1.9of services covered by medical assistance, the frequency with which the same or similar

1.10services may be covered by medical assistance for an individual recipient, and the amount

1.11paid for each covered service. The state agency shall promulgate rules establishing maximum

1.12reimbursement rates for emergency and nonemergency transportation.

1.13The rules shall provide:

1.14(1) an opportunity for all recognized transportation providers to be reimbursed for

1.15nonemergency transportation consistent with the maximum rates established by the agency;

1.16and

1.17(2) reimbursement of public and private nonprofit providers serving the population with

1.18a disability generally at reasonable maximum rates that reflect the cost of providing the

1.19service regardless of the fare that might be charged by the provider for similar services to

1.20individuals other than those receiving medical assistance or medical care under this chapter.

1.21This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1,

1.222027, for prepaid medical assistance.

(b) The commissioner shall encourage providers reimbursed under this chapter to coordinate their operation with similar services that are operating in the same community. To the extent practicable, the commissioner shall encourage eligible individuals to utilize less expensive providers capable of serving their needs. This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

(c) For the purpose of this subdivision and section 256B.02, subdivision 8, and effective on January 1, 1981, "recognized provider of transportation services" means an operator of special transportation service as defined in section 174.29 that has been issued a current certificate of compliance with operating standards of the commissioner of transportation or, if those standards do not apply to the operator, that the agency finds is able to provide the required transportation in a safe and reliable manner. Until January 1, 1981, "recognized transportation provider" includes an operator of special transportation service that the agency finds is able to provide the required transportation in a safe and reliable manner. This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

(d) Effective July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance, the commissioner shall place limits on the types of services covered by medical assistance, the frequency with which the same or similar services may be covered by medical assistance for an individual recipient, and the amount paid for each covered service.

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

Sec. 2. Minnesota Statutes 2024, section 256B.04, subdivision 14, is amended to read:

Subd. 14. **Competitive bidding.** (a) When determined to be effective, economical, and feasible, the commissioner may utilize volume purchase through competitive bidding and negotiation under the provisions of chapter 16C, to provide items under the medical assistance program including but not limited to the following:

(1) eyeglasses;

(2) oxygen. The commissioner shall provide for oxygen needed in an emergency situation on a short-term basis, until the vendor can obtain the necessary supply from the contract dealer;

(3) hearing aids and supplies;

(4) durable medical equipment, including but not limited to:

- 3.1 (i) hospital beds;
- 3.2 (ii) commodes;
- 3.3 (iii) glide-about chairs;
- 3.4 (iv) patient lift apparatus;
- 3.5 (v) wheelchairs and accessories;
- 3.6 (vi) oxygen administration equipment;
- 3.7 (vii) respiratory therapy equipment;
- 3.8 (viii) electronic diagnostic, therapeutic and life-support systems; and
- 3.9 (ix) allergen-reducing products as described in section 256B.0625, subdivision 67,
- 3.10 paragraph (c) or (d);
- 3.11 (5) nonemergency medical transportation level of need determinations, disbursement of
- 3.12 public transportation passes and tokens, and volunteer and recipient mileage and parking
- 3.13 reimbursements;
- 3.14 (6) drugs; and
- 3.15 (7) quitline services as described in section 256B.0625, subdivision 68, paragraph (c).
- 3.16 This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1,
- 3.17 2027, for prepaid medical assistance.
- 3.18 (b) Effective July 1, 2026, for medical assistance fee-for-service and January 1, 2027,
- 3.19 for prepaid medical assistance, when determined to be effective, economical, and feasible,
- 3.20 the commissioner may utilize volume purchase through competitive bidding and negotiation
- 3.21 under the provisions of chapter 16C to provide items under the medical assistance program,
- 3.22 including but not limited to the following:
- 3.23 (1) eyeglasses;
- 3.24 (2) oxygen. The commissioner shall provide for oxygen needed in an emergency situation
- 3.25 on a short-term basis, until the vendor can obtain the necessary supply from the contract
- 3.26 dealer;
- 3.27 (3) hearing aids and supplies;
- 3.28 (4) durable medical equipment, including but not limited to:
- 3.29 (i) hospital beds;
- 3.30 (ii) commodes;

4.1 (iii) glide-about chairs;

4.2 (iv) patient lift apparatus;

4.3 (v) wheelchairs and accessories;

4.4 (vi) oxygen administration equipment;

4.5 (vii) respiratory therapy equipment; and

4.6 (viii) electronic diagnostic, therapeutic, and life-support systems;

4.7 (5) nonemergency medical transportation; and

4.8 (6) drugs.

4.9 ~~(b)~~ (c) Rate changes and recipient cost-sharing under this chapter and chapter 256L do  
4.10 not affect contract payments under this subdivision unless specifically identified.

4.11 ~~(e)~~ (d) The commissioner may not utilize volume purchase through competitive bidding  
4.12 and negotiation under the provisions of chapter 16C for special transportation services or  
4.13 incontinence products and related supplies. This paragraph expires July 1, 2026, for medical  
4.14 assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

4.15 (e) Effective July 1, 2026, for medical assistance fee-for-service and January 1, 2027,  
4.16 for prepaid medical assistance, the commissioner may not utilize volume purchase through  
4.17 competitive bidding and negotiation under the provisions of chapter 16C for incontinence  
4.18 products and related supplies.

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

4.20 Sec. 3. Minnesota Statutes 2024, section 256B.0625, subdivision 17, is amended to read:

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

4.25 (b) For purposes of this subdivision, "rural urban commuting area" or "RUCA" means  
4.26 a census-tract based classification system under which a geographical area is determined  
4.27 to be urban, rural, or super rural. This paragraph expires July 1, 2026, for medical assistance  
4.28 fee-for-service and January 1, 2027, for prepaid medical assistance.

4.29 (c) Medical assistance covers medical transportation costs incurred solely for obtaining  
4.30 emergency medical care or transportation costs incurred by eligible persons in obtaining  
4.31 emergency or nonemergency medical care when paid directly to an ambulance company,

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

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

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

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

(4) public transportation, within the meaning of "public transportation" as defined in section 174.22, subdivision 7; or

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

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

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

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

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

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

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

(f) The administrative agency of nonemergency medical transportation must:

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

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

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

(4) by July 1, 2016, in accordance with subdivision 18e, utilize a web-based single administrative structure assessment tool that meets the technical requirements established by the commissioner, reconciles trip information with claims being submitted by providers, and ensures prompt payment for nonemergency medical transportation services. This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

(g) Effective July 1, 2026, for medical fee-for-service and January 1, 2027, for prepaid medical assistance, the administrative agency of nonemergency medical transportation must:

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

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

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

~~(g)~~ (h) Until the commissioner implements the single administrative structure and delivery system under subdivision 18e, clients shall obtain their level-of-service certificate from the commissioner or an entity approved by the commissioner that does not dispatch rides for clients using modes of transportation under paragraph ~~(h)~~ (n), clauses (4), (5), (6), and (7). This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

~~(h)~~ (i) The commissioner may use an order by the recipient's attending physician, advanced practice registered nurse, physician assistant, or a medical or mental health professional to certify that the recipient requires nonemergency medical transportation services. Nonemergency medical transportation providers shall perform driver-assisted services for eligible individuals, when appropriate. Driver-assisted service includes passenger pickup at and return to the individual's residence or place of business, assistance with admittance of the individual to the medical facility, and assistance in passenger securement or in securing of wheelchairs, child seats, or stretchers in the vehicle.

~~(i)~~ (j) Nonemergency medical transportation providers must take clients to the health care provider using the most direct route, and must not exceed 30 miles for a trip to a primary

care provider or 60 miles for a trip to a specialty care provider, unless the client receives authorization from the local agency. This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

(k) Effective July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance, nonemergency medical transportation providers must take clients to the health care provider using the most direct route and must not exceed 30 miles for a trip to a primary care provider or 60 miles for a trip to a specialty care provider, unless the client receives authorization from the administrator.

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

~~(k)~~ (m) The administrative agency shall use the level of service process established by the commissioner to determine the client's most appropriate mode of transportation. If public transit or a certified transportation provider is not available to provide the appropriate service mode for the client, the client may receive a onetime service upgrade.

~~(l)~~ (n) The covered modes of transportation are:

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

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

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

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

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

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

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

~~(m)~~ (o) The local agency shall be the single administrative agency and shall administer and reimburse for modes defined in paragraph ~~(h)~~ (n) according to paragraphs ~~(p)~~ and ~~(q)~~ (r) to (t) when the commissioner has developed, made available, and funded the web-based single administrative structure, assessment tool, and level of need assessment under subdivision 18e. The local agency's financial obligation is limited to funds provided by the state or federal government. This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

~~(n)~~ (p) The commissioner shall:

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

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

(3) investigate all complaints and appeals.

~~(o)~~ (q) The administrative agency shall pay for the services provided in this subdivision and seek reimbursement from the commissioner, if appropriate. As vendors of medical care, local agencies are subject to the provisions in section 256B.041, the sanctions and monetary recovery actions in section 256B.064, and Minnesota Rules, parts 9505.2160 to 9505.2245. This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

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

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

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



(3) equivalent to the standard fare for unassisted transport when provided by public transit, and \$12.10 for the base rate and \$1.43 per mile when provided by a nonemergency medical transportation provider;

(4) \$14.30 for the base rate and \$1.43 per mile for assisted transport;

(5) \$19.80 for the base rate and \$1.70 per mile for lift-equipped/ramp transport;

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

(7) \$60 for the base rate and \$2.40 per mile for stretcher transport, and \$9 per trip for an additional attendant if deemed medically necessary. This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

(s) Effective July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance, payments for nonemergency medical transportation must be paid based on the client's assessed mode under paragraph (m), not the type of vehicle used to provide the service.

~~(q)~~ (t) The base rate for nonemergency medical transportation services in areas defined under RUCA to be super rural is equal to 111.3 percent of the respective base rate in paragraph ~~(p)~~ (r), clauses (1) to (7). The mileage rate for nonemergency medical transportation services in areas defined under RUCA to be rural or super rural areas is:

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

(2) for a trip between 18 and 50 miles, equal to 112.5 percent of the respective mileage rate in paragraph ~~(p)~~ (r), clauses (1) to (7). This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

~~(r)~~ (u) For purposes of reimbursement rates for nonemergency medical transportation services under paragraphs ~~(p)~~ and ~~(q)~~ (r) to (t), the zip code of the recipient's place of residence shall determine whether the urban, rural, or super rural reimbursement rate applies. This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

~~(s)~~ (v) The commissioner, when determining reimbursement rates for nonemergency medical transportation under paragraphs ~~(p)~~ and ~~(q)~~, shall exempt all modes of transportation listed under paragraph ~~(h)~~ (n) from Minnesota Rules, part 9505.0445, item R, subitem (2).

~~(t)~~ (w) Effective for the first day of each calendar quarter in which the price of gasoline as posted publicly by the United States Energy Information Administration exceeds \$3.00

per gallon, the commissioner shall adjust the rate paid per mile in paragraph ~~(p)~~ (r) by one percent up or down for every increase or decrease of ten cents for the price of gasoline. The increase or decrease must be calculated using a base gasoline price of \$3.00. The percentage increase or decrease must be calculated using the average of the most recently available price of all grades of gasoline for Minnesota as posted publicly by the United States Energy Information Administration. This paragraph expires July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

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

Sec. 4. Minnesota Statutes 2024, section 256B.0625, is amended by adding a subdivision to read:

Subd. 18i. **Administration of nonemergency medical transportation.** Effective July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance, the commissioner must contract either statewide or regionally for the administration of the nonemergency medical transportation program in compliance with the provisions of this chapter. The contract must include the administration of the nonemergency medical transportation benefit for those enrolled in managed care as described in section 256B.69.

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

Sec. 5. **REPEALER.**

Minnesota Statutes 2024, section 256B.0625, subdivisions 18b, 18e, and 18h, are repealed.

**EFFECTIVE DATE.** This section is effective July 1, 2026, for medical assistance fee-for-service and January 1, 2027, for prepaid medical assistance.

**256B.0625 COVERED SERVICES.**

Subd. 18b. **Broker dispatching prohibition.** Except for establishing level of service process, the commissioner shall not use a broker or coordinator for any purpose related to nonemergency medical transportation services under subdivision 18.

Subd. 18e. **Single administrative structure and delivery system.** The commissioner, in coordination with the commissioner of transportation, shall implement a single administrative structure and delivery system for nonemergency medical transportation, beginning the latter of the date the single administrative assessment tool required in this subdivision is available for use, as determined by the commissioner or by July 1, 2016.

In coordination with the Department of Transportation, the commissioner shall develop and authorize a web-based single administrative structure and assessment tool, which must operate 24 hours a day, seven days a week, to facilitate the enrollee assessment process for nonemergency medical transportation services. The web-based tool shall facilitate the transportation eligibility determination process initiated by clients and client advocates; shall include an accessible automated intake and assessment process and real-time identification of level of service eligibility; and shall authorize an appropriate and auditable mode of transportation authorization. The tool shall provide a single framework for reconciling trip information with claiming and collecting complaints regarding inappropriate level of need determinations, inappropriate transportation modes utilized, and interference with accessing nonemergency medical transportation. The web-based single administrative structure shall operate on a trial basis for one year from implementation and, if approved by the commissioner, shall be permanent thereafter.

Subd. 18h. **Nonemergency medical transportation provisions related to managed care.** (a) The following nonemergency medical transportation (NEMT) subdivisions apply to managed care plans and county-based purchasing plans:

- (1) subdivision 17, paragraphs (a), (b), (i), and (n);
- (2) subdivision 18; and
- (3) subdivision 18a.

(b) A nonemergency medical transportation provider must comply with the operating standards for special transportation service specified in sections 174.29 to 174.30 and Minnesota Rules, chapter 8840. Publicly operated transit systems, volunteers, and not-for-hire vehicles are exempt from the requirements in this paragraph.

(c) Managed care plans and county-based purchasing plans must provide a fuel adjustment for NEMT rates when fuel exceeds \$3 per gallon. If, for any contract year, federal approval is not received for this paragraph, the commissioner must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this provision. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this paragraph. This paragraph expires if federal approval is not received for this paragraph at any time.