

SENATE
STATE OF MINNESOTA
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S.F. No. 3286

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DATE	D-PG	OFFICIAL STATUS
03/14/2018	6482	Introduction and first reading Referred to Human Services Reform Finance and Policy
03/19/2018	6794	Author added Lourey
04/12/2018		Comm report: To pass as amended Second reading

- 1.1 A bill for an act
- 1.2 relating to human services; modifying provisions related to providers of behavioral
- 1.3 health services; expanding care coordination covered by medical assistance;
- 1.4 amending Minnesota Statutes 2016, sections 245A.04, subdivision 7, by adding a
- 1.5 subdivision; 245C.22, subdivision 4; 256B.0622, subdivisions 3a, 4; 256B.0623,
- 1.6 subdivision 4; 256B.0624, subdivision 4; Minnesota Statutes 2017 Supplement,
- 1.7 sections 245C.22, subdivision 5; 245G.03, subdivision 1; 254B.03, subdivision 2;
- 1.8 256B.0625, subdivision 56a; proposing coding for new law in Minnesota Statutes,
- 1.9 chapter 245A.
- 1.10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.11 Section 1. Minnesota Statutes 2016, section 245A.04, subdivision 7, is amended to read:
- 1.12 Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that
- 1.13 the program complies with all applicable rules and laws, the commissioner shall issue a
- 1.14 license consistent with this section or, if applicable, a temporary change of ownership license
- 1.15 under section 245A.043. At minimum, the license shall state:
- 1.16 (1) the name of the license holder;
- 1.17 (2) the address of the program;
- 1.18 (3) the effective date and expiration date of the license;
- 1.19 (4) the type of license;
- 1.20 (5) the maximum number and ages of persons that may receive services from the program;
- 1.21 and
- 1.22 (6) any special conditions of licensure.

2.1 (b) The commissioner may issue ~~an initial~~ a license for a period not to exceed two years
2.2 if:

2.3 (1) the commissioner is unable to conduct the evaluation or observation required by
2.4 subdivision 4, paragraph (a), clauses (3) and (4), because the program is not yet operational;

2.5 (2) certain records and documents are not available because persons are not yet receiving
2.6 services from the program; and

2.7 (3) the applicant complies with applicable laws and rules in all other respects.

2.8 (c) A decision by the commissioner to issue a license does not guarantee that any person
2.9 or persons will be placed or cared for in the licensed program. ~~A license shall not be~~
2.10 ~~transferable to another individual, corporation, partnership, voluntary association, other~~
2.11 ~~organization, or controlling individual or to another location.~~

2.12 (d) ~~A license holder must notify the commissioner and obtain the commissioner's approval~~
2.13 ~~before making any changes that would alter the license information listed under paragraph~~
2.14 ~~(a).~~

2.15 (e) Except as provided in paragraphs ~~(g)~~ (f) and ~~(h)~~ (g), the commissioner shall not issue
2.16 or reissue a license if the applicant, license holder, or controlling individual has:

2.17 (1) been disqualified and the disqualification was not set aside and no variance has been
2.18 granted;

2.19 (2) been denied a license within the past two years;

2.20 (3) had a license issued under this chapter revoked within the past five years;

2.21 (4) an outstanding debt related to a license fee, licensing fine, or settlement agreement
2.22 for which payment is delinquent; or

2.23 (5) failed to submit the information required of an applicant under subdivision 1,
2.24 paragraph (f) or (g), after being requested by the commissioner.

2.25 When a license issued under this chapter is revoked under clause (1) or (3), the license
2.26 holder and controlling individual may not hold any license under chapter 245A or 245D for
2.27 five years following the revocation, and other licenses held by the applicant, license holder,
2.28 or controlling individual shall also be revoked.

2.29 ~~(f)~~ (e) The commissioner shall not issue or reissue a license under this chapter if an
2.30 individual living in the household where the ~~licensed~~ services will be provided as specified
2.31 under section 245C.03, subdivision 1, has been disqualified and the disqualification has not
2.32 been set aside and no variance has been granted.

3.1 ~~(g)~~ (f) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued
3.2 under this chapter has been suspended or revoked and the suspension or revocation is under
3.3 appeal, the program may continue to operate pending a final order from the commissioner.
3.4 If the license under suspension or revocation will expire before a final order is issued, a
3.5 temporary provisional license may be issued provided any applicable license fee is paid
3.6 before the temporary provisional license is issued.

3.7 ~~(h)~~ (g) Notwithstanding paragraph ~~(g)~~ (f), when a revocation is based on the
3.8 disqualification of a controlling individual or license holder, and the controlling individual
3.9 or license holder is ordered under section 245C.17 to be immediately removed from direct
3.10 contact with persons receiving services or is ordered to be under continuous, direct
3.11 supervision when providing direct contact services, the program may continue to operate
3.12 only if the program complies with the order and submits documentation demonstrating
3.13 compliance with the order. If the disqualified individual fails to submit a timely request for
3.14 reconsideration, or if the disqualification is not set aside and no variance is granted, the
3.15 order to immediately remove the individual from direct contact or to be under continuous,
3.16 direct supervision remains in effect pending the outcome of a hearing and final order from
3.17 the commissioner.

3.18 ~~(i)~~ (h) For purposes of reimbursement for meals only, under the Child and Adult Care
3.19 Food Program, Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter A,
3.20 part 226, relocation within the same county by a licensed family day care provider, shall
3.21 be considered an extension of the license for a period of no more than 30 calendar days or
3.22 until the new license is issued, whichever occurs first, provided the county agency has
3.23 determined the family day care provider meets licensure requirements at the new location.

3.24 ~~(j)~~ (i) Unless otherwise specified by statute, all licenses issued under this chapter expire
3.25 at 12:01 a.m. on the day after the expiration date stated on the license. A license holder must
3.26 apply for and be granted a new license to operate the program or the program must not be
3.27 operated after the expiration date.

3.28 ~~(k)~~ (j) The commissioner shall not issue or reissue a license under this chapter if it has
3.29 been determined that a tribal licensing authority has established jurisdiction to license the
3.30 program or service.

4.1 Sec. 2. Minnesota Statutes 2016, section 245A.04, is amended by adding a subdivision to
4.2 read:

4.3 Subd. 7a. **Notification required.** (a) A license holder must notify the commissioner and
4.4 obtain the commissioner's approval before making any change that would alter the license
4.5 information listed under subdivision 7, paragraph (a).

4.6 (b) At least 30 days before the effective date of a change, the license holder must notify
4.7 the commissioner in writing of any:

4.8 (1) change to the license holder's authorized agent as defined in section 245A.02,
4.9 subdivision 3b;

4.10 (2) change to the license holder's controlling individual as defined in section 245A.02,
4.11 subdivision 5a;

4.12 (3) change to license holder information on file with the secretary of state;

4.13 (4) change to a program's business structure;

4.14 (5) change in the location of the program or service licensed under this chapter; and

4.15 (6) change in the federal or state tax identification number associated with the license
4.16 holder.

4.17 (c) When a license holder notifies the commissioner of a change to the business structure
4.18 governing the licensed program or services but is not selling the business, the license holder
4.19 must provide amended articles of incorporation and other documentation of the change and
4.20 any other information requested by the commissioner.

4.21 **EFFECTIVE DATE.** This section is effective August 1, 2018.

4.22 Sec. 3. **[245A.043] LICENSE APPLICATION AFTER CHANGE OF OWNERSHIP.**

4.23 Subdivision 1. **Transfer prohibited.** A license issued under this chapter is only valid
4.24 for a premises and individual, organization, or government entity identified by the
4.25 commissioner on the license. A license is not transferable or assignable.

4.26 Subd. 2. **Change of ownership.** If the commissioner determines that there will be a
4.27 change of ownership, the commissioner shall require submission of a new license application.
4.28 A change of ownership occurs when:

4.29 (1) the license holder sells or transfers 100 percent of the property, stock, or assets;

4.30 (2) the license holder merges with another organization;

5.1 (3) the license holder consolidates with two or more organizations, resulting in the
5.2 creation of a new organization;

5.3 (4) there is a change in the federal tax identification number associated with the license
5.4 holder; or

5.5 (5) there is a turnover of each controlling individual associated with the license within
5.6 a 12-month period. A change to the license holder's controlling individuals, including a
5.7 change due to a transfer of stock, is not a change of ownership if at least one controlling
5.8 individual who was listed on the license for at least 12 consecutive months continues to be
5.9 a controlling individual after the reported change.

5.10 Subd. 3. **Change of ownership requirements.** (a) A license holder who intends to
5.11 change the ownership of the program or service as defined in subdivision 2 to a party that
5.12 intends to assume operation without an interruption in service longer than 60 days after
5.13 acquiring the program or service must provide the commissioner with written notice of the
5.14 proposed sale or change on a form provided by the commissioner, at least 60 days before
5.15 the anticipated date of the change in ownership. For purposes of this subdivision and
5.16 subdivision 4, "party" means the party that intends to operate the service or program.

5.17 (b) The party must submit a license application under this chapter on the form and in
5.18 the manner prescribed by the commissioner at least 30 days before the change of ownership
5.19 is complete, and must include documentation to support the upcoming change. The party
5.20 must comply with background study requirements under chapter 245C and shall pay the
5.21 application fee required in section 245A.10. A party that intends to assume operation without
5.22 an interruption in service longer than 60 days after acquiring the program or service is
5.23 exempt from the requirements of Minnesota Rules, part 9530.6800.

5.24 (c) The commissioner may develop streamlined application procedures when the party
5.25 is an existing license holder under this chapter and is acquiring a program licensed under
5.26 this chapter or service in the same service class as one or more licensed programs or services
5.27 the party operates and those licenses are in substantial compliance according to the licensing
5.28 standards in this chapter and applicable rules. For purposes of this subdivision, "substantial
5.29 compliance" means within the past 12 months the commissioner did not: (1) issue a sanction
5.30 under section 245A.07 against a license held by the party, or (2) make a license held by the
5.31 party conditional according to section 245A.06.

5.32 (d) Except when a temporary change of ownership license is issued pursuant to
5.33 subdivision 4, the existing license holder is solely responsible for operating the program

6.1 according to applicable rules and statutes until a license under this chapter is issued to the
6.2 party.

6.3 (e) If a licensing inspection of the program or service was conducted within the previous
6.4 12 months and the existing license holder's license record demonstrates substantial
6.5 compliance with the applicable licensing requirements, the commissioner may waive the
6.6 party's inspection required by section 245A.04, subdivision 4. The party must submit to the
6.7 commissioner proof that the premises was inspected by a fire marshal or that the fire marshal
6.8 deemed that an inspection was not warranted and proof that the premises was inspected for
6.9 compliance with the building code or that no inspection was deemed warranted.

6.10 (f) If the party is seeking a license for a program or service that has an outstanding
6.11 correction order, the party must submit a letter with the license application identifying how
6.12 and within what length of time the party shall resolve the outstanding correction order and
6.13 come into full compliance with the licensing requirements.

6.14 (g) Any action taken under section 245A.06 or 245A.07 against the existing license
6.15 holder's license at the time the party is applying for a license, including when the existing
6.16 license holder is operating under a conditional license or is subject to a revocation, shall
6.17 remain in effect until the commissioner determines that the grounds for the action are
6.18 corrected or no longer exist.

6.19 (h) The commissioner shall evaluate the application of the party according to section
6.20 245A.04, subdivision 6. Pursuant to section 245A.04, subdivision 7, if the commissioner
6.21 determines that the party complies with applicable laws and rules, the commissioner may
6.22 issue a license or a temporary change of ownership license.

6.23 (i) The commissioner may deny an application as provided in section 245A.05. An
6.24 applicant whose application was denied by the commissioner may appeal the denial according
6.25 to section 245A.05.

6.26 (j) This subdivision does not apply to a licensed program or service located in a home
6.27 where the license holder resides.

6.28 Subd. 4. **Temporary change of ownership license.** (a) After receiving the party's
6.29 application and upon the written request of the existing license holder and the party, the
6.30 commissioner may issue a temporary change of ownership license to the party while the
6.31 commissioner evaluates the party's application. Until a decision is made to grant or deny a
6.32 license under this chapter, the existing license holder and the party shall both be responsible
6.33 for operating the program or service according to applicable laws and rules, and the sale or

7.1 transfer of the license holder's ownership interest in the licensed program or service does
7.2 not terminate the existing license.

7.3 (b) The commissioner may establish criteria to issue a temporary change of ownership
7.4 license when a license holder's death, divorce, or other event affecting the ownership of the
7.5 program when an applicant seeks to assume operation of the program or service to ensure
7.6 continuity of the program or service while a license application is evaluated. This subdivision
7.7 applies to any program or service licensed under this chapter.

7.8 **EFFECTIVE DATE.** This section is effective August 1, 2018.

7.9 Sec. 4. Minnesota Statutes 2016, section 245C.22, subdivision 4, is amended to read:

7.10 Subd. 4. **Risk of harm; set aside.** (a) The commissioner may set aside the disqualification
7.11 if the commissioner finds that the individual has submitted sufficient information to
7.12 demonstrate that the individual does not pose a risk of harm to any person served by the
7.13 applicant, license holder, or other entities as provided in this chapter.

7.14 (b) In determining whether the individual has met the burden of proof by demonstrating
7.15 the individual does not pose a risk of harm, the commissioner shall consider:

7.16 (1) the nature, severity, and consequences of the event or events that led to the
7.17 disqualification;

7.18 (2) whether there is more than one disqualifying event;

7.19 (3) the age and vulnerability of the victim at the time of the event;

7.20 (4) the harm suffered by the victim;

7.21 (5) vulnerability of persons served by the program;

7.22 (6) the similarity between the victim and persons served by the program;

7.23 (7) the time elapsed without a repeat of the same or similar event;

7.24 (8) documentation of successful completion by the individual studied of training or
7.25 rehabilitation pertinent to the event; and

7.26 (9) any other information relevant to reconsideration.

7.27 (c) If the individual requested reconsideration on the basis that the information relied
7.28 upon to disqualify the individual was incorrect or inaccurate and the commissioner determines
7.29 that the information relied upon to disqualify the individual is correct, the commissioner
7.30 must also determine if the individual poses a risk of harm to persons receiving services in
7.31 accordance with paragraph (b).

8.1 (d) For an individual in the chemical dependency field, the commissioner must set aside
8.2 the disqualification if the following criteria are met:

8.3 (1) the individual submits sufficient documentation to demonstrate that the individual
8.4 is a nonviolent controlled substance offender under section 244.0513, subdivision 2, clauses
8.5 (1), (2), and (6);

8.6 (2) the individual is disqualified exclusively for one or more offenses listed under section
8.7 152.021, subdivision 2 or 2a; 152.022, subdivision 2; 152.023, subdivision 2; 152.024; or
8.8 152.025;

8.9 (3) the individual provided documentation of successful completion of treatment at least
8.10 one year prior to the date of the request for reconsideration at a program licensed under
8.11 chapter 245G;

8.12 (4) the individual provided documentation demonstrating abstinence from controlled
8.13 substances, as defined in section 152.01, subdivision 4, for a period of one year prior to the
8.14 date of the request for reconsideration; and

8.15 (5) the individual is seeking employment in the chemical dependency field.

8.16 Sec. 5. Minnesota Statutes 2017 Supplement, section 245C.22, subdivision 5, is amended
8.17 to read:

8.18 Subd. 5. **Scope of set-aside.** (a) If the commissioner sets aside a disqualification under
8.19 this section, the disqualified individual remains disqualified, but may hold a license and
8.20 have direct contact with or access to persons receiving services. Except as provided in
8.21 paragraph (b), the commissioner's set-aside of a disqualification is limited solely to the
8.22 licensed program, applicant, or agency specified in the set aside notice under section 245C.23.
8.23 For personal care provider organizations, the commissioner's set-aside may further be limited
8.24 to a specific individual who is receiving services. For new background studies required
8.25 under section 245C.04, subdivision 1, paragraph (h), if an individual's disqualification was
8.26 previously set aside for the license holder's program and the new background study results
8.27 in no new information that indicates the individual may pose a risk of harm to persons
8.28 receiving services from the license holder, the previous set-aside shall remain in effect.

8.29 (b) If the commissioner has previously set aside an individual's disqualification for one
8.30 or more programs or agencies, and the individual is the subject of a subsequent background
8.31 study for a different program or agency, the commissioner shall determine whether the
8.32 disqualification is set aside for the program or agency that initiated the subsequent

9.1 background study. A notice of a set-aside under paragraph (c) shall be issued within 15
9.2 working days if all of the following criteria are met:

9.3 (1) the subsequent background study was initiated in connection with a program licensed
9.4 or regulated under the same provisions of law and rule for at least one program for which
9.5 the individual's disqualification was previously set aside by the commissioner;

9.6 (2) the individual is not disqualified for an offense specified in section 245C.15,
9.7 subdivision 1 ~~or 2~~;

9.8 (3) the individual is not disqualified for an offense specified in section 245C.15,
9.9 subdivision 2, unless the individual is employed in the chemical dependency field;

9.10 (4) the commissioner has received no new information to indicate that the individual
9.11 may pose a risk of harm to any person served by the program; and

9.12 ~~(4)~~ (5) the previous set-aside was not limited to a specific person receiving services.

9.13 (c) When a disqualification is set aside under paragraph (b), the notice of background
9.14 study results issued under section 245C.17, in addition to the requirements under section
9.15 245C.17, shall state that the disqualification is set aside for the program or agency that
9.16 initiated the subsequent background study. The notice must inform the individual that the
9.17 individual may request reconsideration of the disqualification under section 245C.21 on the
9.18 basis that the information used to disqualify the individual is incorrect.

9.19 Sec. 6. Minnesota Statutes 2017 Supplement, section 245G.03, subdivision 1, is amended
9.20 to read:

9.21 Subdivision 1. **License requirements.** (a) An applicant for a license to provide substance
9.22 use disorder treatment must comply with the general requirements in chapters 245A and
9.23 245C, sections 626.556 and 626.557, and Minnesota Rules, chapter 9544.

9.24 (b) The assessment of need process under Minnesota Rules, parts 9530.6800 and
9.25 9530.6810, is not applicable to programs licensed under this chapter. However, the
9.26 commissioner may deny issuance of a license to an applicant if the commissioner determines
9.27 that the services currently available in the local area are sufficient to meet local need and
9.28 the addition of new services would be detrimental to individuals seeking these services.

9.29 (c) The commissioner may grant variances to the requirements in this chapter that do
9.30 not affect the client's health or safety if the conditions in section 245A.04, subdivision 9,
9.31 are met.

10.1 Sec. 7. Minnesota Statutes 2017 Supplement, section 254B.03, subdivision 2, is amended
10.2 to read:

10.3 Subd. 2. **Chemical dependency fund payment.** (a) Payment from the chemical
10.4 dependency fund is limited to payments for services other than detoxification licensed under
10.5 Minnesota Rules, parts 9530.6510 to 9530.6590, that, if located outside of federally
10.6 recognized tribal lands, would be required to be licensed by the commissioner as a chemical
10.7 dependency treatment or rehabilitation program under sections 245A.01 to 245A.16, and
10.8 services other than detoxification provided in another state that would be required to be
10.9 licensed as a chemical dependency program if the program were in the state. Out of state
10.10 vendors must also provide the commissioner with assurances that the program complies
10.11 substantially with state licensing requirements and possesses all licenses and certifications
10.12 required by the host state to provide chemical dependency treatment. Vendors receiving
10.13 payments from the chemical dependency fund must not require co-payment from a recipient
10.14 of benefits for services provided under this subdivision. The vendor is prohibited from using
10.15 the client's public benefits to offset the cost of services paid under this section. The vendor
10.16 shall not require the client to use public benefits for room or board costs. This includes but
10.17 is not limited to cash assistance benefits under chapters 119B, 256D, and 256J, or SNAP
10.18 benefits. Retention of SNAP benefits is a right of a client receiving services through the
10.19 consolidated chemical dependency treatment fund or through state contracted managed care
10.20 entities. Payment from the chemical dependency fund shall be made for necessary room
10.21 and board costs provided by vendors certified according to section 254B.05, or in a
10.22 community hospital licensed by the commissioner of health according to sections 144.50
10.23 to 144.56 to a client who is:

10.24 (1) determined to meet the criteria for placement in a residential chemical dependency
10.25 treatment program according to rules adopted under section 254A.03, subdivision 3; and

10.26 (2) concurrently receiving a chemical dependency treatment service in a program licensed
10.27 by the commissioner and reimbursed by the chemical dependency fund.

10.28 (b) A county may, from its own resources, provide chemical dependency services for
10.29 which state payments are not made. A county may elect to use the same invoice procedures
10.30 and obtain the same state payment services as are used for chemical dependency services
10.31 for which state payments are made under this section if county payments are made to the
10.32 state in advance of state payments to vendors. When a county uses the state system for
10.33 payment, the commissioner shall make monthly billings to the county using the most recent
10.34 available information to determine the anticipated services for which payments will be made
10.35 in the coming month. Adjustment of any overestimate or underestimate based on actual

11.1 expenditures shall be made by the state agency by adjusting the estimate for any succeeding
 11.2 month.

11.3 (c) The commissioner shall coordinate chemical dependency services and determine
 11.4 whether there is a need for any proposed expansion of chemical dependency treatment
 11.5 services. ~~The commissioner shall deny vendor certification to any provider that has not~~
 11.6 ~~received prior approval from the commissioner for the creation of new programs or the~~
 11.7 ~~expansion of existing program capacity. The commissioner shall consider the provider's~~
 11.8 ~~capacity to obtain clients from outside the state based on plans, agreements, and previous~~
 11.9 ~~utilization history, when determining the need for new treatment services~~ The commissioner
 11.10 may deny vendor certification to a provider if the commissioner determines that the services
 11.11 currently available in the local area are sufficient to meet local need and that the addition
 11.12 of new services would be detrimental to individuals seeking these services.

11.13 Sec. 8. Minnesota Statutes 2016, section 256B.0622, subdivision 3a, is amended to read:

11.14 Subd. 3a. **Provider certification and contract requirements for assertive community**
 11.15 **treatment.** (a) The assertive community treatment provider must:

11.16 ~~(1) have a contract with the host county to provide assertive community treatment~~
 11.17 ~~services; and~~

11.18 ~~(2) have each ACT team be certified by the state following the certification process and~~
 11.19 ~~procedures developed by the commissioner. The certification process determines whether~~
 11.20 ~~the ACT team meets the standards for assertive community treatment under this section as~~
 11.21 ~~well as minimum program fidelity standards as measured by a nationally recognized fidelity~~
 11.22 ~~tool approved by the commissioner. Recertification must occur at least every three years.~~

11.23 (b) A provider must specify in the provider's application what geographic area and
 11.24 populations will be primarily served by the proposed program. A provider must submit
 11.25 evidence that in planning for the proposed program it has solicited feedback from the county
 11.26 in which the proposed program would be located regarding how the proposed programming
 11.27 relates to the types of programming identified by the local mental health authority as being
 11.28 needed for the county in which the proposed program would be located and how the proposed
 11.29 populations to be served relate to the populations identified by the local mental health
 11.30 authority as being in need of services for the county in which the proposed program would
 11.31 be located. A provider must submit evidence that it has identified a process for aligning the
 11.32 proposed program with the local mental health authority's efforts. A provider must submit
 11.33 evidence of ongoing relationships with other providers, the county where the program will
 11.34 be located, and levels of care to facilitate referrals to and from the proposed program. The

12.1 commissioner may deny approval of a provider's application if the commissioner determines
 12.2 that the services currently available in the local area are sufficient to meet local need and
 12.3 that the addition of new services would be detrimental to individuals seeking these services.

12.4 ~~(b)~~ (c) An ACT team certified under this subdivision must meet the following standards:

12.5 (1) have capacity to recruit, hire, manage, and train required ACT team members;

12.6 (2) have adequate administrative ability to ensure availability of services;

12.7 (3) ensure adequate preservice and ongoing training for staff;

12.8 (4) ensure that staff is capable of implementing culturally specific services that are
 12.9 culturally responsive and appropriate as determined by the client's culture, beliefs, values,
 12.10 and language as identified in the individual treatment plan;

12.11 (5) ensure flexibility in service delivery to respond to the changing and intermittent care
 12.12 needs of a client as identified by the client and the individual treatment plan;

12.13 (6) develop and maintain client files, individual treatment plans, and contact charting;

12.14 (7) develop and maintain staff training and personnel files;

12.15 (8) submit information as required by the state;

12.16 (9) keep all necessary records required by law;

12.17 (10) comply with all applicable laws;

12.18 (11) be an enrolled Medicaid provider;

12.19 (12) establish and maintain a quality assurance plan to determine specific service
 12.20 outcomes and the client's satisfaction with services; and

12.21 (13) develop and maintain written policies and procedures regarding service provision
 12.22 and administration of the provider entity.

12.23 ~~(e)~~ (d) The commissioner may intervene at any time and decertify an ACT team with
 12.24 cause. The commissioner shall establish a process for decertification of an ACT team and
 12.25 shall require corrective action, medical assistance repayment, or decertification of an ACT
 12.26 team that no longer meets the requirements in this section or that fails to meet the clinical
 12.27 quality standards or administrative standards provided by the commissioner in the application
 12.28 and certification process. The decertification is subject to appeal to the state.

13.1 Sec. 9. Minnesota Statutes 2016, section 256B.0622, subdivision 4, is amended to read:

13.2 Subd. 4. **Provider licensure and contract requirements for intensive residential**
 13.3 **treatment services.** (a) The intensive residential treatment services provider must:

13.4 (1) be licensed under Minnesota Rules, parts 9520.0500 to 9520.0670;

13.5 (2) not exceed 16 beds per site; and

13.6 (3) comply with the additional standards in this section; ~~and.~~

13.7 ~~(4) have a contract with the host county to provide these services.~~

13.8 (b) The commissioner shall develop procedures for counties and providers to submit
 13.9 contracts and other documentation as needed to allow the commissioner to determine whether
 13.10 the standards in this section are met.

13.11 (c) A provider must specify in the provider's application what geographic area and
 13.12 populations will be primarily served by the proposed program. A provider must submit
 13.13 evidence that in planning for the proposed program it has solicited feedback from the county
 13.14 in which the proposed program would be located regarding how the proposed programming
 13.15 relates to the types of programming identified by the local mental health authority as being
 13.16 needed for the county in which the proposed program would be located and how the proposed
 13.17 populations to be served relate to the populations identified by the local mental health
 13.18 authority as being in need of services for the county in which the proposed program would
 13.19 be located. A provider must submit evidence that it has identified a process for aligning the
 13.20 proposed program with the local mental health authority's efforts. A provider must submit
 13.21 evidence of ongoing relationships with other providers, the county where the program will
 13.22 be located, and levels of care to facilitate referrals to and from the proposed program. The
 13.23 commissioner may deny approval of a provider's application if the commissioner determines
 13.24 that the services currently available in the local area are sufficient to meet local need and
 13.25 that the addition of new services would be detrimental to individuals seeking these services.

13.26 Sec. 10. Minnesota Statutes 2016, section 256B.0623, subdivision 4, is amended to read:

13.27 Subd. 4. **Provider entity standards.** (a) The provider entity must be certified by the
 13.28 state following the certification process and procedures developed by the commissioner.

13.29 (b) The certification process is a determination as to whether the entity meets the standards
 13.30 in this subdivision. The certification must specify which adult rehabilitative mental health
 13.31 services the entity is qualified to provide.

14.1 (c) ~~A noncounty provider entity must obtain additional certification from each county~~
14.2 ~~in which it will provide services. The additional certification must be based on the adequacy~~
14.3 ~~of the entity's knowledge of that county's local health and human service system, and the~~
14.4 ~~ability of the entity to coordinate its services with the other services available in that county.~~
14.5 ~~A county-operated entity must obtain this additional certification from any other county in~~
14.6 ~~which it will provide services. A provider must specify in the provider's application what~~
14.7 ~~geographic area and populations will be primarily served by the proposed program. A~~
14.8 ~~provider must submit evidence that in planning for the proposed program it has solicited~~
14.9 ~~feedback from the county in which the proposed program would be located regarding how~~
14.10 ~~the proposed programming relates to the types of programming identified by the local mental~~
14.11 ~~health authority as being needed for the county in which the proposed program would be~~
14.12 ~~located and how the proposed populations to be served relate to the populations identified~~
14.13 ~~by the local mental health authority as being in need of services for the county in which the~~
14.14 ~~proposed program would be located. A provider must submit evidence that it has identified~~
14.15 ~~a process for aligning the proposed program with the local mental health authority's efforts.~~
14.16 ~~A provider must submit evidence of ongoing relationships with other providers, the county~~
14.17 ~~where the program will be located, and levels of care to facilitate referrals to and from the~~
14.18 ~~proposed program. The commissioner may deny approval of a provider's application if the~~
14.19 ~~commissioner determines that the services currently available in the local area are sufficient~~
14.20 ~~to meet local need and that the addition of new services would be detrimental to individuals~~
14.21 ~~seeking these services.~~

14.22 (d) Recertification must occur at least every three years.

14.23 (e) The commissioner may intervene at any time and decertify providers with cause.
14.24 The decertification is subject to appeal to the state. A county board may recommend that
14.25 the state decertify a provider for cause.

14.26 (f) The adult rehabilitative mental health services provider entity must meet the following
14.27 standards:

14.28 (1) have capacity to recruit, hire, manage, and train mental health professionals, mental
14.29 health practitioners, and mental health rehabilitation workers;

14.30 (2) have adequate administrative ability to ensure availability of services;

14.31 (3) ensure adequate preservice and inservice and ongoing training for staff;

14.32 (4) ensure that mental health professionals, mental health practitioners, and mental health
14.33 rehabilitation workers are skilled in the delivery of the specific adult rehabilitative mental
14.34 health services provided to the individual eligible recipient;

- 15.1 (5) ensure that staff is capable of implementing culturally specific services that are
15.2 culturally competent and appropriate as determined by the recipient's culture, beliefs, values,
15.3 and language as identified in the individual treatment plan;
- 15.4 (6) ensure enough flexibility in service delivery to respond to the changing and
15.5 intermittent care needs of a recipient as identified by the recipient and the individual treatment
15.6 plan;
- 15.7 (7) ensure that the mental health professional or mental health practitioner, who is under
15.8 the clinical supervision of a mental health professional, involved in a recipient's services
15.9 participates in the development of the individual treatment plan;
- 15.10 (8) assist the recipient in arranging needed crisis assessment, intervention, and
15.11 stabilization services;
- 15.12 (9) ensure that services are coordinated with other recipient mental health services
15.13 providers and the county mental health authority and the federally recognized American
15.14 Indian authority and necessary others after obtaining the consent of the recipient. Services
15.15 must also be coordinated with the recipient's case manager or care coordinator if the recipient
15.16 is receiving case management or care coordination services;
- 15.17 (10) develop and maintain recipient files, individual treatment plans, and contact charting;
- 15.18 (11) develop and maintain staff training and personnel files;
- 15.19 (12) submit information as required by the state;
- 15.20 (13) establish and maintain a quality assurance plan to evaluate the outcome of services
15.21 provided;
- 15.22 (14) keep all necessary records required by law;
- 15.23 (15) deliver services as required by section 245.461;
- 15.24 (16) comply with all applicable laws;
- 15.25 (17) be an enrolled Medicaid provider;
- 15.26 (18) maintain a quality assurance plan to determine specific service outcomes and the
15.27 recipient's satisfaction with services; and
- 15.28 (19) develop and maintain written policies and procedures regarding service provision
15.29 and administration of the provider entity.

16.1 Sec. 11. Minnesota Statutes 2016, section 256B.0624, subdivision 4, is amended to read:

16.2 Subd. 4. **Provider entity standards.** (a) A provider entity is an entity that meets the
16.3 standards listed in paragraph ~~(b)~~ (c) and:

16.4 (1) is a county board operated entity; or

16.5 (2) is a provider entity that is under contract with the county board in the county where
16.6 the potential crisis or emergency is occurring. To provide services under this section, the
16.7 provider entity must directly provide the services; or if services are subcontracted, the
16.8 provider entity must maintain responsibility for services and billing.

16.9 (b) A provider entity that is providing crisis stabilization services in a residential setting
16.10 as described in subdivision 7 is exempt from the requirements of paragraph (a) but must
16.11 meet the standards of paragraph (c).

16.12 (c) The adult mental health crisis response services provider entity must have the capacity
16.13 to meet and carry out the following standards:

16.14 (1) has the capacity to recruit, hire, and manage and train mental health professionals,
16.15 practitioners, and rehabilitation workers;

16.16 (2) has adequate administrative ability to ensure availability of services;

16.17 (3) is able to ensure adequate preservice and in-service training;

16.18 (4) is able to ensure that staff providing these services are skilled in the delivery of
16.19 mental health crisis response services to recipients;

16.20 (5) is able to ensure that staff are capable of implementing culturally specific treatment
16.21 identified in the individual treatment plan that is meaningful and appropriate as determined
16.22 by the recipient's culture, beliefs, values, and language;

16.23 (6) is able to ensure enough flexibility to respond to the changing intervention and care
16.24 needs of a recipient as identified by the recipient during the service partnership between
16.25 the recipient and providers;

16.26 (7) is able to ensure that mental health professionals and mental health practitioners have
16.27 the communication tools and procedures to communicate and consult promptly about crisis
16.28 assessment and interventions as services occur;

16.29 (8) is able to coordinate these services with county emergency services, community
16.30 hospitals, ambulance, transportation services, social services, law enforcement, and mental
16.31 health crisis services through regularly scheduled interagency meetings;

17.1 (9) is able to ensure that mental health crisis assessment and mobile crisis intervention
17.2 services are available 24 hours a day, seven days a week;

17.3 (10) is able to ensure that services are coordinated with other mental health service
17.4 providers, county mental health authorities, or federally recognized American Indian
17.5 authorities and others as necessary, with the consent of the adult. Services must also be
17.6 coordinated with the recipient's case manager if the adult is receiving case management
17.7 services;

17.8 (11) is able to ensure that crisis intervention services are provided in a manner consistent
17.9 with sections 245.461 to 245.486;

17.10 (12) is able to submit information as required by the state;

17.11 (13) maintains staff training and personnel files;

17.12 (14) is able to establish and maintain a quality assurance and evaluation plan to evaluate
17.13 the outcomes of services and recipient satisfaction;

17.14 (15) is able to keep records as required by applicable laws;

17.15 (16) is able to comply with all applicable laws and statutes;

17.16 (17) is an enrolled medical assistance provider; and

17.17 (18) develops and maintains written policies and procedures regarding service provision
17.18 and administration of the provider entity, including safety of staff and recipients in high-risk
17.19 situations.

17.20 (d) A provider entity that is providing crisis stabilization services in a residential setting
17.21 as described in subdivision 7, is not required to meet the requirements of paragraph (a), but
17.22 must still meet the standards of paragraph (c). A provider entity that is providing crisis
17.23 stabilization services in a residential setting as described in subdivision 7 must specify in
17.24 the provider entity's application what geographic area and populations will be primarily
17.25 served by the proposed program. A provider must submit evidence that in planning for the
17.26 proposed program it has solicited feedback from the county in which the proposed program
17.27 would be located regarding how the proposed programming relates to the types of
17.28 programming identified by the local mental health authority as being needed for the county
17.29 in which the proposed program would be located and how the proposed populations to be
17.30 served relate to the populations identified by the local mental health authority as being in
17.31 need of services for the county in which the proposed program would be located. A provider
17.32 must submit evidence that it has identified a process for aligning the proposed program with
17.33 the local mental health authority's efforts. A provider must submit evidence of ongoing

18.1 relationships with other providers, the county where the program will be located, and levels
 18.2 of care to facilitate referrals to and from the proposed program. The commissioner may
 18.3 deny approval of a provider entity's application if the commissioner determines that the
 18.4 services currently available in the local area are sufficient to meet local need and that the
 18.5 addition of new services would be detrimental to individuals seeking these services.

18.6 Sec. 12. Minnesota Statutes 2017 Supplement, section 256B.0625, subdivision 56a, is
 18.7 amended to read:

18.8 Subd. 56a. ~~Post-arrest~~ Officer-involved community-based service care coordination.

18.9 (a) Medical assistance covers ~~post-arrest~~ officer-involved community-based service care
 18.10 coordination for an individual who:

18.11 (1) has ~~been identified as having~~ screened positive for benefiting from treatment for a
 18.12 mental illness or substance use disorder using a screening tool approved by the commissioner;

18.13 (2) does not require the security of a public detention facility and is not considered an
 18.14 inmate of a public institution as defined in Code of Federal Regulations, title 42, section
 18.15 435.1010;

18.16 (3) meets the eligibility requirements in section 256B.056; and

18.17 (4) has agreed to participate in ~~post-arrest~~ officer-involved community-based service
 18.18 care coordination through a diversion contract in lieu of incarceration.

18.19 (b) ~~Post-arrest~~ Officer-involved community-based service care coordination means
 18.20 navigating services to address a client's mental health, chemical health, social, economic,
 18.21 and housing needs, or any other activity targeted at reducing the incidence of jail utilization
 18.22 and connecting individuals with existing covered services available to them, including, but
 18.23 not limited to, targeted case management, waiver case management, or care coordination.

18.24 (c) ~~Post-arrest~~ Officer-involved community-based service care coordination must be
 18.25 provided by an individual who is an employee of a county ~~or~~ is under contract with a county,
 18.26 or is an employee of or under contract with an Indian health service facility or facility owned
 18.27 and operated by a tribe or a tribal organization operating under Public Law 93-638 as a 638
 18.28 facility to provide ~~post-arrest~~ officer-involved community-based care coordination and is
 18.29 qualified under one of the following criteria:

18.30 (1) a licensed mental health professional as defined in section 245.462, subdivision 18,
 18.31 clauses (1) to (6);

19.1 (2) a mental health practitioner as defined in section 245.462, subdivision 17, working
19.2 under the clinical supervision of a mental health professional; or

19.3 (3) a certified peer specialist under section 256B.0615, working under the clinical
19.4 supervision of a mental health professional;

19.5 (4) an individual qualified as an alcohol and drug counselor under section 254G.11,
19.6 subdivision 5; or

19.7 (5) a recovery peer qualified under section 245G.11, subdivision 8, working under the
19.8 supervision of an individual qualified as an alcohol and drug counselor under section
19.9 245G.11, subdivision 5.

19.10 (d) Reimbursement is allowed for up to 60 days following the initial determination of
19.11 eligibility.

19.12 (e) Providers of ~~post-arrest~~ officer-involved community-based ~~service~~ care coordination
19.13 shall annually report to the commissioner on the number of individuals served, and number
19.14 of the community-based services that were accessed by recipients. The commissioner shall
19.15 ensure that services and payments provided under ~~post-arrest~~ officer-involved
19.16 community-based ~~service~~ care coordination do not duplicate services or payments provided
19.17 under section 256B.0625, subdivision 20, 256B.0753, 256B.0755, or 256B.0757.

19.18 (f) Notwithstanding section 256B.19, subdivision 1, the nonfederal share of cost for
19.19 post-arrest community-based service coordination services shall be provided by the county
19.20 providing the services, from sources other than federal funds or funds used to match other
19.21 federal funds.