

STATE OF MINNESOTA

Journal of the Senate

EIGHTY-SECOND LEGISLATURE

TWENTY-SIXTH DAY

St. Paul, Minnesota, Monday, March 26, 2001

The Senate met at 11:30 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Betzold imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Dr. Paul Dovre.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

The roll was called, and the following Senators answered to their names:

Bachmann	Hottinger	Larson	Pappas	Scheevel
Belanger	Johnson, Dave	Lesewski	Pariseau	Scheid
Berg	Johnson, Dean	Lessard	Pogemiller	Schwab
Berglin	Johnson, Doug	Limmer	Price	Solon
Betzold	Kelley, S.P.	Lourey	Ranum	Stevens
Chaudhary	Kelly, R.C.	Marty	Reiter	Stumpf
Cohen	Kierlin	Metzen	Rest	Terwilliger
Dille	Kinkel	Moe, R.D.	Ring	Vickerman
Fischbach	Kiscaden	Murphy	Robertson	Wiener
Foley	Kleis	Oliver	Robling	Wiger
Fowler	Knutson	Olson	Sabo	
Frederickson	Krentz	Orfield	Sams	
Higgins	Langseth	Ourada	Samuelson	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Senators Anderson; Day; Johnson, Debbie; Neuville and Tomassoni were excused from the Session of today.

REPORTS OF COMMITTEES

Senator Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 728. The motion prevailed.

Senator Kelly, R.C. from the Committee on Transportation, to which was referred

S.F. No. 1457: A bill for an act relating to drivers' licenses; creating driver's license account and allocating to the account proceeds of fees relating to functions of department of public safety; appropriating money from the account; amending Minnesota Statutes 2000, sections 169.09, subdivision 13; 170.23; 171.06, subdivision 2a; 171.07, subdivision 11; 171.13, subdivision 6; 171.185; 171.26; 171.29, subdivision 2; and 171.36.

Reports the same back with the recommendation that the bill be amended as follows:

Page 6, line 34, after the period, insert "Beginning in 2002, the commissioner shall submit to the commissioner of finance, with copies to the chairs of the senate and house of representatives committees having jurisdiction over transportation finance, by October 15, an audited report summarizing expenditures under this paragraph for the previous fiscal year and projections for the current fiscal year."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Solon from the Committee on Commerce, to which was referred

S.F. No. 1147: A bill for an act relating to insurance; creating a purchasing alliance stop-loss fund account; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 43A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, lines 7 and 10, delete "purchase" and insert "purchasing"

And when so amended the bill do pass and be re-referred to the Committee on Health and Family Security. Amendments adopted. Report adopted.

Senator Solon from the Committee on Commerce, to which was referred

S.F. No. 1204: A bill for an act relating to insurance; regulating the use of HIV and bloodborne pathogen tests; amending Minnesota Statutes 2000, section 72A.20, subdivision 29.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Senator Murphy from the Committee on Agriculture, General Legislation and Veterans Affairs, to which was referred

S.F. No. 775: A bill for an act relating to motor fuels; allowing natural gasoline as petroleum component in E85 fuel; amending Minnesota Statutes 2000, section 296A.01, subdivision 19.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Murphy from the Committee on Agriculture, General Legislation and Veterans Affairs, to which was referred

S.F. No. 813: A bill for an act relating to agriculture; providing grants and incentives to motor fuel retailers who install pumps and equipment to dispense cleaner fuel; requiring the state to buy and operate clean-fuel vehicles when available; requiring labeling for vehicles using clean fuel; imposing misdemeanor penalty; appropriating money; amending Minnesota Statutes 2000, sections 273.11, by adding a subdivision; 296A.07, subdivision 3; 296A.08, subdivision 2; and 297A.68, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 16C; 41A; and 239.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [16C.135] [CLEAN FUEL USE IN STATE VEHICLES.]

In all its motor vehicle purchases, the state shall buy flexible-fuel vehicles that are capable of using clean fuel if the desired or required model has a flexible-fuel engine available. For purposes of this section, "clean fuel" includes only CNG, E85, LNG, and propane, as those terms are defined in section 296A.01; B20, consisting of 20 percent biodiesel; and, E-Diesel/Oxy-Diesel.

Sec. 2. [41A.10] [CLEAN FUEL DEVELOPMENT GRANT PROGRAM.]

The commissioner of agriculture shall establish a program to encourage motor fuel retail outlets to install tanks, pumps, and other necessary equipment to dispense clean fuel. For purposes of this section, "clean fuel" includes only CNG, E85, LNG, and propane, as those terms are defined in section 296A.01; B20, consisting of 20 percent biodiesel; and, E-Diesel/Oxy-Diesel. The program must provide for use of funds appropriated for the purpose as 50-percent-matching grants for motor fuel service station retailers, not to exceed (1) \$25,000 per retail site for a retailer who installs new equipment for dispensing clean fuel, including costs of any new sign materials relating to the clean fuel, and (2) \$2,500 per retail site for a retailer who converts existing petroleum-dispensing equipment to equipment for dispensing clean fuel. The state's share may be no more than half the cost of installing the equipment and must be matched by funds from private industry or other organizations or persons interested in promoting clean fuel.

Sec. 3. Minnesota Statutes 2000, section 296A.07, subdivision 3, is amended to read:

Subd. 3. [RATE OF TAX.] The gasoline excise tax is imposed at the following rates:

(1) before July 1, 2001, and after June 30, 2006, E85 is taxed at the rate of 14.2 cents per gallon;

(2) M85 is taxed at the rate of 11.4 cents per gallon; and

(3) all other gasoline that is not listed in clauses (1) and (2) is taxed at the rate of 20 cents per gallon.

Sec. 4. Minnesota Statutes 2000, section 296A.08, subdivision 2, is amended to read:

Subd. 2. [RATE OF TAX.] The special fuel excise tax is imposed at the following rates:

(1) Before July 1, 2001, and after June 30, 2006, liquefied petroleum gas or propane is taxed at the rate of 15 cents per gallon.

(2) Before July 1, 2001, and after June 30, 2006, liquefied natural gas is taxed at the rate of 12 cents per gallon.

(3) Before July 1, 2001, and after June 30, 2006, compressed natural gas is taxed at the rate of \$1.739 per thousand cubic feet; or 20 cents per gasoline equivalent, as defined by the National Conference on Weights and Measures, which is 5.66 pounds of natural gas.

(4) All other special fuel that is not listed in clauses (1) to (3) is taxed at the same rate as the gasoline excise tax as specified in section 296A.07, subdivision 2. The tax is payable in the form and manner prescribed by the commissioner.

Sec. 5. Minnesota Statutes 2000, section 297A.68, is amended by adding a subdivision to read:

Subd. 35. [EQUIPMENT AND MATERIALS FOR DISPENSING CLEAN FUEL.] Clean fuel dispensing equipment and materials purchased for dispensing clean fuel into motor vehicles at a motor fuel retail outlet, are exempt. "Clean fuel" has the meaning given it in section 41A.10. "Equipment and materials" includes tanks, pumps, related sign materials, and other necessary equipment or materials.

Sec. 6. [APPROPRIATIONS AND TRANSFERS.]

(a) \$500,000 for the fiscal year ending June 30, 2002, and \$500,000 for the fiscal year ending June 30, 2003, are appropriated from the general fund to the commissioner of agriculture for purposes of section 2, to be available through June 30, 2003. In addition to the purposes stated in section 2, the commissioner may spend a portion of this appropriation to buy mass media broadcasts, solicit public service announcements, and use consumer direct marketing to promote the use of clean fuel and to inform the public of the advantages, benefits, and requirements of this act.

(b) \$220,000 for the fiscal year ending June 30, 2002, and \$500,000 for the fiscal year ending June 30, 2003, are appropriated from the general fund and transferred to the highway user tax distribution fund. These appropriations and transfers are intended to reimburse the highway user tax distribution fund for the loss of tax proceeds under sections 4 and 5 for fiscal years 2002 and 2003."

Delete the title and insert:

"A bill for an act relating to agriculture; providing grants and incentives to motor fuel retailers who install pumps and equipment to dispense cleaner fuel; requiring the state to buy and operate clean-fuel vehicles when available; appropriating money; amending Minnesota Statutes 2000, sections 296A.07, subdivision 3; 296A.08, subdivision 2; 297A.68, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 16C; 41A."

And when so amended the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Amendments adopted. Report adopted.

Senator Krentz from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1284: A bill for an act relating to natural resources; appropriating money for the Mississippi whitewater trail.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Krentz from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 596: A bill for an act relating to natural resources; appropriating money for implementing the management plan under the Lower St. Croix Wild and Scenic River Act.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Johnson, Doug from the Committee on Finance, to which was referred

S.F. No. 244: A bill for an act relating to appropriations; redirecting an appropriation to People, Inc.; amending Laws 1998, chapter 404, section 18, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 13, after "building" insert "or to acquire land or construct a building"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Senator Johnson, Doug from the Committee on Finance, to which was referred

S.F. No. 857: A bill for an act relating to public finance; funding for Gillette Children's Speciality Health Care; transportation and capital improvements; authorizing spending for public

purposes; authorizing spending to acquire and to better land and buildings and other improvements of a capital nature; amending earlier authorizations; authorizing and reauthorizing sale of state bonds; converting certain capital project financing from general obligation bonding to general fund cash; appropriating money; amending Laws 2000, chapter 479, article 1, section 2, subdivision 11; and by adding a section; Laws 2000, chapter 492, article 1, section 18, subdivision 1; and section 26, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 17, after "amount" insert "up"

Page 2, line 27, delete "Speciality Health Care" and insert "Specialty Healthcare"

Page 2, lines 32 and 33, delete "Speciality Health Care" and insert "Specialty Healthcare"

Page 2, lines 42 and 43, strike "Health Care" and insert "Healthcare"

Amend the title as follows:

Page 1, line 3, delete "Speciality Health Care" and insert "Specialty Healthcare"

And when so amended the bill do pass and be re-referred to the Committee on Capital Investment. Amendments adopted. Report adopted.

Senator Johnson, Doug from the Committee on Finance, to which was referred

S.F. No. 152: A bill for an act relating to public safety; appropriating money for a state patrol recruit training academy.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [REPORT.]

On or before February 15, 2002, the commissioner shall present to the committees having jurisdiction over transportation policy and finance in the house of representatives and the senate an evaluation of the efficiency and cost-effectiveness of the present recruit training program, and a comparison of the effectiveness and potential cost-savings of alternative training formats with the current academy format.

Sec. 2. [APPROPRIATION.]

\$1,904,000 in fiscal year 2002 and \$3,148,000 in fiscal year 2003 is appropriated from the trunk highway fund to the commissioner of public safety to fund 65 new patrol positions and the recruit training academy. The commissioner must hold a training academy in July 2001 and a training academy in January 2003 with this appropriation."

Delete the title and insert:

"A bill for an act relating to public safety; requiring the commissioner to report on state patrol recruit training; appropriating money for a state patrol recruit training academy."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Solon from the Committee on Commerce, to which was referred

S.F. No. 1192: A bill for an act relating to insurance; regulating the Minnesota comprehensive health association; modifying the definition of contributing member; permitting extensions of writing carrier contract period; providing subsidies to reduce assessments borne by individuals and small businesses; appropriating money; amending Minnesota Statutes 2000, sections 62E.02, subdivision 23; 62E.10, subdivision 1; and 62E.13, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 11, insert:

"Section 1. Minnesota Statutes 2000, section 43A.31, subdivision 2, is amended to read:

Subd. 2. [COMMISSIONER REPORTS.] (a) The commissioner shall transmit a report each biennium to the legislative commission on employee relations concerning the operation of sections 43A.22 to 43A.30, including a study of local and statewide market trends regarding provider concentration, costs, and other factors as they may relate to the state's health benefits purchasing strategy. The commissioner shall consult with the commissioners of commerce and health in the conduct of this study. The commissioner shall also report the number, type, and disposition of complaints relating to the insurance programs offered by the commissioner.

(b) The commissioner shall provide an annual report to the legislature describing the fiscal impact that any self-insured hospital and medical plan offered under sections 43A.22 to 43A.31 has on the Minnesota comprehensive health association, including, but not limited to, the distribution of the association's annual losses."

Page 2, lines 5 to 7, delete the new language

Page 2, line 8, delete the new language and insert "and the total cost of self-insurance as defined in Minnesota Rules, part 2740.0100, subpart 58,"

Pages 3 and 4, delete sections 4 and 5 and insert:

"Sec. 5. [REPORTS.]

The commissioners of health, commerce, employee relations, and human services shall each report to the legislature by January 15, 2002, on a plan for ongoing financial and programmatic participation in the Minnesota comprehensive health association.

Sec. 6. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF COMMERCE; MINNESOTA COMPREHENSIVE HEALTH ASSOCIATION OFFSET.] \$14,750,000 in fiscal year 2002 and \$15,000,000 in fiscal year 2003 is appropriated from the health care access fund to the commissioner of commerce. This appropriation is for a grant to the Minnesota comprehensive health association and shall be made available on January 1 of each fiscal year to be used to offset the annual assessments for calendar years 2002 and 2003 that are required to be paid by each contributing member in accordance with Minnesota Statutes, section 62E.11. This appropriation shall not become part of the base for the 2004-2005 biennium.

Subd. 2. [DEPARTMENT OF HEALTH; STUDY OF INDIVIDUAL INSURANCE MARKET.] (a) \$250,000 in fiscal year 2002 is appropriated from the health care access fund to the commissioner of health for an actuarial and policy study of the feasibility and cost impact of establishing a private insurance access pool for the individual health insurance market.

(b) The commissioner of health shall provide a written report and recommendations to the legislature, in compliance with Minnesota Statutes, section 3.195, no later than February 1, 2002.

Sec. 7. [EFFECTIVE DATE.]

Sections 1, 4, and 5 are effective immediately. Sections 2 and 3 are effective July 1, 2005."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "requiring reports; providing for a study;"

Page 1, line 8, after "sections" insert "43A.31, subdivision 2;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Solon from the Committee on Commerce, to which was referred

S.F. No. 1083: A bill for an act relating to insurance; revising certain provisions involving state regulation of private health coverage; transferring certain regulatory control; establishing requirements for managed care plans; amending Minnesota Statutes 2000, sections 61B.19, subdivision 2; 61B.20, subdivisions 10 and 13; 62A.021, subdivision 1; 62A.041, subdivisions 1 and 2; 62A.042; 62A.043, subdivision 1; 62A.105; 62A.14; 62A.149, subdivision 1; 62A.15, subdivision 1; 62A.152, subdivision 1; 62A.153; 62A.20; 62A.21; 62A.615; 62A.616; 62A.65, subdivision 5; 62D.02, subdivisions 3 and 8; 62D.12, subdivisions 1 and 1a; 62D.15, subdivision 1; 62D.24; 62E.02, subdivision 4; 62E.05, subdivision 2; 62E.11, subdivision 13; 62E.14, subdivision 6; 62E.16; 62J.041, subdivision 4; 62J.701; 62J.74, subdivisions 1 and 2; 62J.75; 62L.02, subdivision 8; 62L.05, subdivision 12; 62L.08, subdivisions 10 and 11; 62L.09, subdivision 3; 62L.10, subdivision 4; 62L.11, subdivision 2; 62L.12, subdivision 2; 62M.11; 62M.16; 62N.02, subdivision 4; 62N.26; 62Q.01, subdivision 2; 62Q.03, subdivision 5a; 62Q.07; 62Q.075, subdivisions 1, 2, and 4; 62Q.106; 62Q.22, subdivisions 2, 6, and 7; 62Q.32; 62Q.33, subdivision 2; 62Q.49, subdivision 2; 62Q.51, subdivision 3; 62Q.525, subdivision 3; 62Q.68, subdivision 1; 62Q.69, subdivisions 2 and 3; 62Q.71; 62Q.72; 62Q.73, subdivisions 3, 4, 5, and 6; 62R.04, subdivision 5; 62R.06, subdivision 1; 62T.01, subdivision 4; 256B.692, subdivisions 2, 4, and 7; 257.34, subdivision 1; and 471.617, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 62U; repealing Minnesota Statutes 2000, sections 62A.049; 62A.21, subdivision 3; 62C.14, subdivisions 5, 5a, 5b, and 14; 62C.142; 62D.09, subdivision 3; 62D.101; 62D.105; 62D.12, subdivision 19; 62D.123, subdivisions 2, 3, and 4; 62D.124; 62D.181; 62E.03; 62E.04, subdivisions 1, 2, 3, 4, 5, 6, and 7; 62E.05; 62Q.095; 62Q.10; and 62Q.45; Minnesota Rules, parts 4685.0801, subpart 7; 4685.1010; 4685.1105; 4685.1100; 4685.1115; 4685.1120; 4685.1125; 4685.1130; 4685.1300; 4685.1900; 4685.2000; and 4685.2200, subpart 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, line 15, after the period, insert ""Health plan company" does not include an employer with respect to a self-insured employee health benefit plan organized and offered by the employer to its employees under the Federal Employee Retirement Income Security Act of 1974, and this chapter does not apply to those plans."

Page 5, line 2, after the period, insert "A health plan is not a managed care plan if the financial incentive to use certain health care providers is solely the difference in the obligation of the enrollee to pay for the balance of charges after the health plan company has paid its usual and customary charges."

Page 5, line 4, delete "or implied"

Page 5, line 17, after the second "state" insert ", except that this chapter does not apply to health plan companies whose annual Minnesota private health premium revenues are less than five percent of the total annual Minnesota private health premium revenues, as measured by the assessment base of the Minnesota comprehensive health association, unless the health plan company requests in writing that this chapter apply to it. For purposes of this percentage calculation, a health plan company's premiums include the Minnesota private health premium revenues of its affiliates"

Page 5, line 29, after the period, insert "Existing managed care plans are deemed approved if the health plan company has previously demonstrated to either the commissioner of health or the commissioner of commerce that the managed care plan complies with this chapter."

Page 6, line 12, after "application" insert "consistent with the provisions of this chapter"

Page 6, line 20, before "A" insert "(a)" and after "A" insert "group"

Page 6, line 24, after the period, insert:

"(b) An individual managed care plan must comply with the benefit requirements that apply to an insurance company licensed under chapter 60A and need not comply with additional or different benefit requirements that apply to companies licensed under chapter 62C, 62D, or 62N.

(c)"

Page 7, line 4, delete "unreasonable,"

Page 7, line 5, delete "unfair, or misleading" and insert "unjust, unfair, or inequitable, as provided in section 62A.02, subdivision 3,"

Page 7, after line 7, insert:

"(e) Exclusions of and limitations on the services required under subdivision 1 are permitted at least to the extent described in Minnesota Rules, part 4685.0700, subparts 3 and 4. Variations on those exclusions and limitations may be requested under paragraph (a)."

Page 8, line 19, delete "without limitation" and insert "with respect to this chapter"

Page 8, delete lines 20 and 21 and insert:

"(3) provide that the delegated functions must be carried out in a manner consistent with state law."

Page 8, line 23, after "functions" insert a comma and delete "agreement"

Page 8, line 24, delete "must so state" and insert "delegatee is not subject to the enforcement authority of the commissioner"

Page 9, line 32, after "persons" insert "under the managed care plan"

Page 10, line 14, before "and" insert "purchasers,"

Page 15, line 16, after "enrollees" insert "in the managed care plan's service area"

Page 15, line 29, delete everything before "the"

Page 15, line 34, delete "; and" and insert a period

Page 15, delete lines 35 and 36

Page 16, delete lines 1 and 2

Page 19, line 30, delete "The" and insert "This paragraph applies to a" and delete "shall arrange" and insert "that arranges"

Page 19, line 31, after "of" insert "assigned or selected"

Page 21, delete lines 24 to 36

Page 22, line 1, delete "(c)" and insert "(b)"

Page 22, line 6, delete "(d)" and insert "(c)"

Page 22, line 11, delete "(e)" and insert "(d)"

Page 22, line 16, delete "(f)" and insert "(e)"

Page 22, line 24, delete "(g)" and insert "(f)"

Page 22, line 28, delete "(h)" and insert "(g)"

Page 22, line 32, delete "(i)" and insert "(h)"

Page 22, line 35, delete "(j)" and insert "(i)"

Page 23, line 12, after the period, insert "The 25 percent copayment limitation of Minnesota Rules, part 4685.0700, subpart 3, item A, subitem (3), unit (b); and part 4685.0801, subparts 1 and 2, do not apply to a managed care plan that complies with this subdivision."

Page 23, line 15, delete "\$1,000" and insert "\$5,000"

Page 23, line 16, delete "\$5,000" and insert "\$10,000"

Page 24, line 14, delete "4685.1100" and insert "4685.1110"

Page 24, line 18, delete "17" and insert "12, 16, and 17"

Page 24, line 19, after the period, insert "Sections 13 to 15 are effective January 1, 2004, and apply to managed care plans issued or renewed on or after that date."

Pages 24 to 26, delete sections 1 to 3

Page 33, line 20, after "network" insert "in the managed care service area"

Pages 33 and 34, delete section 12

Pages 48 to 50, delete sections 35 to 37

Page 61, delete section 60

Page 62, delete section 62

Page 63, after line 6, insert:

"Sec. 56. [STUDY AND REPORT.]

The commissioner of health shall study and report to the legislature, no later than January 1, 2004, on premium cost, subscriber liability, and health outcomes under different types of health plan regulation by the state. The commissioner shall use data available to the commissioner under Minnesota Statutes, section 62J.38, and otherwise. The reports must be submitted to the legislature in compliance with Minnesota Statutes, section 3.195."

Page 63, line 8, delete everything after "sections"

Page 63, line 9, delete everything before "62Q.095"

Page 63, line 12, delete "65" and insert "57"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete everything after "sections"

Page 1, line 7, delete "2; 61B.20, subdivisions 10 and 13;"

Page 1, lines 8, 17, 19, and 27, delete "and" and insert a comma

Page 1, line 13, delete "and" and insert a comma in both places

Page 1, line 14, delete "62E.02, subdivision 4;"

Page 1, line 23, delete "62Q.075, subdivisions 1, 2, and 4;"

Page 1, lines 24, 28, 35, 37, and 43, delete "and"

Page 1, line 30, delete "4, and"

Page 1, line 31, delete "and 471.617, subdivision 1;"

Page 1, delete line 38

Page 1, line 39, delete "6, and 7; 62E.05;" and after "62Q.10;" delete "and"

Page 1, line 41, delete "4685.1100" and insert "4685.1110"

And when so amended the bill do pass and be re-referred to the Committee on Health and Family Security. Amendments adopted. Report adopted.

Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was referred

S.F. No. 882: A bill for an act relating to landlords and tenants; requiring landlords to accept current tenant reports on prospective tenants if available; proposing coding for new law in Minnesota Statutes, chapter 504B.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 21, after the period, insert "This section does not apply to rentals in manufactured home parks as defined in section 327.14, subdivision 3."

Sec. 2. Minnesota Statutes 2000, section 504B.173, is amended to read:

504B.173 [APPLICANT SCREENING FEE.]

Subdivision 1. [LIMIT ON NUMBER OF APPLICANT SCREENING FEES.] A landlord or the landlord's agent may not charge an applicant a screening fee ~~when the landlord knows or should have known that no rental unit is available at that time or will be available within a reasonable future time unless the landlord enters into a rental agreement with the applicant.~~

Subd. 2. [RETURN AMOUNT OF APPLICANT SCREENING FEE.] ~~If the A landlord or the landlord's agent does not perform may charge a tenant for the reasonable documented costs of the landlord for a personal reference check or does not, to obtain a consumer credit report, or to obtain a tenant screening report, the landlord or the landlord's agent shall return any amount of the screening fee that is not used for those purposes. The screening fee may be returned by mail, may be destroyed upon the applicant's request if paid by check, or may be made available for the applicant to retrieve. The costs may be incorporated into and prorated over the term of the lease or be due at the time of entering into the lease.~~

Subd. 3. [DISCLOSURES TO APPLICANT TENANT.] A landlord or the landlord's agent, prior to taking an application fee from a prospective tenant, must disclose ~~on to the application form or orally~~ tenant the name, address, and telephone number of the tenant screening service the owner will use, ~~unless the owner does not use a tenant screening service~~ landlord used, if any.

Subd. 3a. [MANUFACTURED HOME PARK EXEMPTION.] This section does not apply to rentals in manufactured home parks as defined in section 327.14, subdivision 3.

Subd. 4. [REMEDIES.] In addition to any other remedies, a landlord who violates this section is liable to the tenant or applicant for the application fee plus a civil penalty of up to \$100, civil court filing costs, and reasonable attorney fees incurred to enforce this remedy."

Amend the title accordingly as follows:

Page 1, line 4, after the semicolon, insert "regulating tenant application fees; amending Minnesota Statutes 2000, section 504B.173;"

And when so amended the bill do pass. Amendments adopted.

Senator Marty from the Committee on Judiciary, to which was referred

S.F. No. 1212: A bill for an act relating to family law; clarifying use of certain factors in determining the best interests of a child; clarifying certain language on division of pension plans; amending Minnesota Statutes 2000, sections 518.17, subdivision 1; 518.1705, subdivision 5; and 518.58, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 4, delete "emotional" and insert "well being"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Marty from the Committee on Judiciary, to which was referred

S.F. No. 936: A bill for an act relating to civil actions; regulating certifications of expert reviews in medical malpractice actions; amending Minnesota Statutes 2000, section 145.682, subdivision 6.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 145.682, subdivision 6, is amended to read:

Subd. 6. [PENALTY FOR NONCOMPLIANCE.] (a) Failure to comply with subdivision 2, clause (1), within 60 days after demand for the affidavit results, upon motion, in mandatory dismissal with prejudice of each cause of action as to which expert testimony is necessary to establish a prima facie case.

(b) Failure to comply with subdivision 2, clause (2), ~~and subdivision 4~~ results, upon motion, in mandatory dismissal with prejudice of each cause of action as to which expert testimony is necessary to establish a prima facie case.

(c) Failure to comply with subdivision 4 because of deficiencies in the affidavit or answers to interrogatories results, upon motion, in mandatory dismissal with prejudice of each action as to which expert testimony is necessary to establish a prima facie case, provided that:

(1) the motion to dismiss the action identifies the claimed deficiencies in the affidavit or answers to interrogatories;

(2) the time for hearing the motion is at least 45 days from the date of service of the motion; and

(3) before the hearing on the motion, the plaintiff does not serve upon the defendant an amended affidavit or answers to interrogatories that correct the claimed deficiencies.

Sec. 2. Minnesota Statutes 2000, section 573.02, subdivision 1, is amended to read:

Subdivision 1. When death is caused by the wrongful act or omission of any person or corporation, the trustee appointed as provided in subdivision 3 may maintain an action therefor if the decedent might have maintained an action, had the decedent lived, for an injury caused by the wrongful act or omission. An action to recover damages for a death caused by the alleged professional negligence of a physician, surgeon, dentist, hospital or sanitarium, or an employee of a physician, surgeon, dentist, hospital or sanitarium shall be commenced within ~~the time set forth in section 541.07, subdivision 1~~ three years of the date of death, but in no event shall be commenced beyond the time set forth in section 541.076. An action to recover damages for a death caused by an intentional act constituting murder may be commenced at any time after the death of the decedent. Any other action under this section may be commenced within three years after the date of death provided that the action must be commenced within six years after the act or omission. The recovery in the action is the amount the jury deems fair and just in reference to the pecuniary loss resulting from the death, and shall be for the exclusive benefit of the surviving spouse and next of kin, proportionate to the pecuniary loss severally suffered by the death. The

court then determines the proportionate pecuniary loss of the persons entitled to the recovery and orders distribution accordingly. Funeral expenses and any demand for the support of the decedent allowed by the court having jurisdiction of the action, are first deducted and paid. Punitive damages may be awarded as provided in section 549.20.

If an action for the injury was commenced by the decedent and not finally determined while living, it may be continued by the trustee for recovery of damages for the exclusive benefit of the surviving spouse and next of kin, proportionate to the pecuniary loss severally suffered by the death. The court on motion shall make an order allowing the continuance and directing pleadings to be made and issues framed as in actions begun under this section.

Sec. 3. [EFFECTIVE DATE; APPLICATION.]

Sections 1 and 2 are effective August 1, 2001, and apply to causes of action arising from incidents occurring on or after that date."

Delete the title and insert:

"A bill for an act relating to civil actions; regulating certifications of expert reviews in medical malpractice actions; clarifying a reference to the medical malpractice statute of limitations; amending Minnesota Statutes 2000, sections 145.682, subdivision 6; 573.02, subdivision 1."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Marty from the Committee on Judiciary, to which was referred

S.F. No. 1419: A bill for an act relating to payment bonds; regulating notices of claims; amending Minnesota Statutes 2000, section 574.31, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 19, after the period, insert "The addresses of the contractor and the surety listed on the bond must be addresses at which the companies are authorized to accept service of the notice of the claim. If an agent or attorney-in-fact is authorized to accept service of notice of the claim for the contractor or surety, that fact must be expressly stated in the bond along with the address of the agent or attorney-in-fact at which service of the notice of the claim can be made."

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Senator Marty from the Committee on Judiciary, to which was referred

S.F. No. 321: A bill for an act relating to probate; providing for background investigations before appointment of guardians or conservators; authorizing access to data on substantiated maltreatment of vulnerable adults; requiring professionals to file informational statements with the court; authorizing courts to establish competency and training requirements for professionals; amending Minnesota Statutes 2000, sections 525.539, by adding a subdivision; and 525.56, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 525.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [245A.041] [SYSTEMS AND RECORDS.]

Subdivision 1. [ESTABLISHMENT; USE.] (a) The commissioner may establish systems and records to fulfill the requirements of section 245A.04. The commissioner may also use these systems and records to obtain and provide criminal history data from the bureau of criminal apprehension and data about substantiated maltreatment under section 626.556 or 626.557, for other purposes, provided that:

(1) the background study is specifically authorized in statute; or

(2) the request is made with the informed consent of the subject of the study as provided in section 13.05, subdivision 4.

A person making a request under clause (2) must agree in writing not to disclose the data to any other person without the consent of the subject of the data.

(b) The commissioner may recover the cost of obtaining and providing background study data by charging the person requesting the study a fee of no more than \$12 per study.

Subd. 2. [NATIONAL RECORDS SEARCH.] When specifically required by statute, the commissioner shall also obtain criminal history data from the national criminal records repository. To obtain criminal history data from the national criminal records repository, the commissioner shall require classifiable fingerprints of the data subject and must submit these fingerprint requests through the bureau of criminal apprehension. The commissioner may recover the cost of obtaining and providing criminal history data from the national criminal records repository by charging the person requesting the study a fee of no more than \$30 per study.

Sec. 2. Minnesota Statutes 2000, section 525.539, is amended by adding a subdivision to read:

Subd. 8. [PROFESSIONAL GUARDIAN OR CONSERVATOR.] "Professional guardian or conservator" means a person who acts as a guardian or conservator at the same time for two or more wards or conservatees who are not related to the guardian or conservator by blood or marriage.

Sec. 3. [525.545] [BACKGROUND STUDY.]

Subdivision 1. [WHEN REQUIRED; EXCEPTION.] (a) The court shall require a background study under this section:

(1) before the appointment of a guardian or conservator, unless a background study has been done on the person under this section within the previous three years; and

(2) once every three years after the appointment, if the person continues to serve as a guardian or conservator.

(b) The background study must include criminal history data from the bureau of criminal apprehension and data regarding whether the person has been a perpetrator of substantiated maltreatment of a vulnerable adult.

(c) The court shall request a search of the national criminal records repository if the proposed guardian or conservator has not resided in Minnesota for the previous five years or if the bureau of criminal apprehension information received from the commissioner of human services under subdivision 2, paragraph (b), indicates that the subject is a multistate offender or that the individual's multistate offender status is undetermined.

(d) If the guardian or conservator is not an individual, the background study must be done on all individuals currently employed by the proposed guardian or conservator who will be responsible for exercising powers and duties under the guardianship or conservatorship.

(e) If the court determines that it would be in the best interests of the ward or conservatee to appoint a guardian or conservator before the background study can be completed, the court may make the appointment pending the results of the study.

(f) The fee for conducting a background study for appointment of a professional guardian or conservator must be paid by the guardian or conservator. In other cases, the fee may be recovered from the estate of the ward or conservatee or under section 563.01.

(g) The requirements of this subdivision do not apply if the guardian or conservator is a state agency or county.

Subd. 2. [PROCEDURE; CRIMINAL HISTORY AND MALTREATMENT RECORDS BACKGROUND CHECK.] (a) The court shall request the commissioner of human services to complete a background study under section 245A.041. The request must be accompanied by the applicable fee and the signed consent of the subject of the study authorizing the release of the data obtained to the court. If the court is requesting a search of the national criminal records repository, the request must be accompanied by a set of classifiable fingerprints of the subject of the study. The fingerprints must be recorded on a fingerprint card provided by the commissioner of human services.

(b) The commissioner of human services shall provide the court with information from the bureau of criminal apprehension's criminal justice information system and data regarding substantiated maltreatment of vulnerable adults under section 626.557 within 15 working days of receipt of a request. If the subject of the study has been the perpetrator of substantiated maltreatment of a vulnerable adult, the response must include a copy of the public portion of the investigation memorandum under section 626.557, subdivision 12b. If the court did not request a search of the national criminal records repository and information from the bureau of criminal apprehension indicates that the subject is a multistate offender or that multistate offender status is undetermined, the response must include this information. The commissioner shall provide the court with information from the national criminal records repository within three working days of the commissioner's receipt of the data.

(c) Notwithstanding section 626.557, subdivision 12b, if the commissioner of human services or a county lead agency has information that a person on whom a background study was previously done under this section has been determined to be a perpetrator of maltreatment of a vulnerable adult, the commissioner or the county may provide this information to the court that requested the background study. The commissioner may also provide the court with additional criminal history information that becomes available after the background study is done.

Subd. 3. [FORM.] The commissioner of human services shall develop a form to be used for requesting a background study under this section, which must include:

- (1) a notification to the subject of the study that the court will request the commissioner to perform a background study under this section;
- (2) a notification to the subject of the rights in subdivision 4; and
- (3) a signed consent to conduct the background study.

Subd. 4. [RIGHTS.] The court shall notify the subject of a background study that the subject has the following rights:

- (1) the right to be informed that the court will request a background study on the subject for the purpose of determining whether the person's appointment or continued appointment is in the best interests of the ward or conservatee;
- (2) the right to be informed of the results of the study and to obtain from the court a copy of the results; and
- (3) the right to challenge the accuracy and completeness of information contained in the results under section 13.04, subdivision 4, except to the extent precluded by section 256.045, subdivision 3."

Delete the title and insert:

"A bill for an act relating to probate; providing for a background study before appointment of guardians or conservators; authorizing access to data on substantiated maltreatment of vulnerable adults; providing for background study systems and records in the department of human services; amending Minnesota Statutes 2000, section 525.539, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 245A; 525."

And when so amended the bill do pass and be re-referred to the Committee on Health and Family Security. Amendments adopted. Report adopted.

Senator Marty from the Committee on Judiciary, to which was referred

S.F. No. 1502: A bill for an act relating to the courts; authorizing courts to accept affidavits in lieu of a hearing on a name change application; amending Minnesota Statutes 2000, section 259.10, subdivision 1.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Senator Marty from the Committee on Judiciary, to which was referred

S.F. No. 317: A bill for an act proposing an amendment to the Minnesota Constitution, article I, by adding a section; providing for equality of rights under the law for men and women.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Rules and Administration. Report adopted.

Senator Marty from the Committee on Judiciary, to which was referred

S.F. No. 1583: A bill for an act relating to children; amending the definition of child neglect; amending Minnesota Statutes 2000, section 626.556, subdivision 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Marty from the Committee on Judiciary, to which was re-referred

S.F. No. 1187: A bill for an act relating to professions; modifying penalty provisions for psychologists; amending Minnesota Statutes 2000, section 148.941, subdivision 2, and by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Marty from the Committee on Judiciary, to which was referred

S.F. No. 1477: A bill for an act relating to children; providing for measures to improve child support collection and enforcement; providing civil penalties; amending Minnesota Statutes 2000, sections 13B.06, subdivision 7; 256.01, subdivision 2; 256.741, subdivisions 1 and 5; 256.979, subdivisions 5 and 6; 393.07, by adding a subdivision; 518.551, subdivision 13; 518.5513, subdivision 5; 518.575, subdivision 1; 518.5851, by adding a subdivision; 518.5853, by adding a subdivision; 518.6195; 518.64, subdivision 2; 518.641, subdivisions 1, 2, 3, and by adding a subdivision; and 548.091, subdivision 1a; repealing Minnesota Statutes 2000, section 518.641, subdivisions 4 and 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 11, line 25, after "representatives" insert "and county attorneys" and delete "promulgate" and insert "adopt"

Page 11, line 26, delete "to effect" and insert "for"

Page 11, line 27, delete "incentive" and insert "management"

Page 11, line 32, delete "a noncustodial parent" and insert "an obligor"

Page 13, line 15, strike "except as provided under"

Page 13, line 16, strike everything before the period and insert "and repaid to the child support agency for any month when the direct support retained is greater than the court-ordered child support and the assistance payment and the obligor owes support arrears"

Page 13, before line 17, insert:

"Sec. 5. Minnesota Statutes 2000, section 256.741, subdivision 8, is amended to read:

Subd. 8. [REFUSAL TO COOPERATE WITH SUPPORT REQUIREMENTS.] (a) Failure by a caregiver to satisfy any of the requirements of subdivision 5 constitutes refusal to cooperate, and the sanctions under paragraph (b) apply. The IV-D agency must determine whether a caregiver has refused to cooperate according to subdivision 5.

(b) Determination by the IV-D agency that a caregiver has refused to cooperate has the following effects:

- (1) a caregiver is subject to the applicable sanctions under section 256J.46;
- (2) a caregiver who is not a parent of a minor child in an assistance unit may choose to remove the child from the assistance unit unless the child is required to be in the assistance unit; and
- (3) a parental caregiver who refuses to cooperate is ineligible for medical assistance; and
- ~~(4) direct support retained by a caregiver must be counted as unearned income when determining the amount of the assistance payment."~~

Page 14, delete lines 18 to 33 and insert:

"Subd. 9a. [ADMINISTRATIVE PENALTIES.] (a) The public authority, as defined in section 518.54, may sanction an employer or payor of funds up to \$700 for failing to comply with section 518.5513, subdivision 5, paragraph (a), clauses (5) and (8), if:

(1) the public authority mails the employer or payor of funds a notice of an administrative sanction, at the employer's or payor's of funds last known address, which includes the date the sanction will take effect, the amount of the sanction, the reason for imposing the sanction, and the corrective action that must be taken to avoid the sanction; and

(2) the employer or payor of funds fails to correct the violation before the effective date of the sanction.

(b) The public authority shall include with the sanction notice an additional notice of the right to appeal the sanction and the process for making the appeal.

(c) Unless an appeal is made, the administrative determination of the sanction is final and binding."

Page 28, line 2, strike "for" and insert "establishing, modifying, or enforcing"

Page 28, line 7, delete "A"

Page 28, delete lines 8 to 11

Page 28, line 12, delete "cost-of-living clause."

Page 32, line 9, delete the comma

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "and 5" and insert ", 5, and 8"

And when so amended the bill do pass and be re-referred to the Committee on Health and Family Security. Amendments adopted. Report adopted.

Senator Vickerman from the Committee on State and Local Government Operations, to which was referred

S.F. No. 1490: A bill for an act relating to the metropolitan council; providing for the transfer or disposal of interceptor facilities; proposing coding for new law in Minnesota Statutes, chapter 473.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Vickerman from the Committee on State and Local Government Operations, to which was referred

S.F. No. 1199: A bill for an act relating to county hospitals; providing for their borrowing authority; establishing a uniform approach to governmental hospital borrowing; modernizing hospital board membership criteria; amending Minnesota Statutes 2000, sections 376.06, subdivision 1; 376.07; 376.08, subdivisions 1 and 2; and 376.09.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Vickerman from the Committee on State and Local Government Operations, to which was referred

S.F. No. 1540: A bill for an act relating to counties; repealing the sunset of county capital improvement bonding authority; repealing Minnesota Statutes 2000, section 373.40, subdivision 7.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes. Report adopted.

Senator Vickerman from the Committee on State and Local Government Operations, to which was referred

S.F. No. 1205: A bill for an act relating to construction; giving the state building official final authority for interpreting the State Building Code and prescribing its enforcement; requiring municipalities to submit annual reports on construction-related fees; regulating construction-related fees; prohibiting municipalities from requiring waivers of rights as a condition for issuance of a construction-related permit; amending Minnesota Statutes 2000, sections 15.99, subdivision 3; 16B.61, subdivision 1; 16B.62, subdivision 1; 16B.63, by adding a subdivision; 16B.67; 326.90, subdivision 1; and 462.353, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 462; and 471.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 16B.61, subdivision 1, is amended to read:

Subdivision 1. [ADOPTION OF CODE.] Subject to sections 16B.59 to 16B.75, the commissioner shall by rule establish a code of standards for the construction, reconstruction, alteration, and repair of buildings, governing matters of structural materials, design and construction, fire protection, health, sanitation, and safety, including design and construction standards regarding heat loss control, illumination, and climate control. The code must conform insofar as practicable to model building codes generally accepted and in use throughout the United States, including a code for building conservation. In the preparation of the code, consideration must be given to the existing statewide specialty codes presently in use in the state. Model codes with necessary modifications and statewide specialty codes may be adopted by reference. The code must be based on the application of scientific principles, approved tests, and professional judgment. To the extent possible, the code must be adopted in terms of desired results instead of the means of achieving those results, avoiding wherever possible the incorporation of specifications of particular methods or materials. To that end the code must encourage the use of new methods and new materials. Except as otherwise provided in sections 16B.59 to 16B.75, the commissioner shall administer and enforce the provisions of those sections.

The commissioner shall develop rules addressing the plan review fee assessed to similar buildings without significant modifications including provisions for use of building systems as specified in the industrial/modular program specified in section 16B.75. Additional plan review fees associated with similar plans must be based on costs commensurate with the direct and indirect costs of the service.

Sec. 2. Minnesota Statutes 2000, section 16B.62, subdivision 1, is amended to read:

Subdivision 1. [MUNICIPAL ENFORCEMENT.] The State Building Code applies statewide and supersedes the building code of any municipality. The State Building Code does not apply to agricultural buildings except with respect to state inspections required or rulemaking authorized by sections 103F.141, 216C.19, subdivision 8, and 326.244. All municipalities shall adopt and enforce the State Building Code with respect to new construction within their respective jurisdictions.

If a city has adopted or is enforcing the State Building Code on June 3, 1977, or determines by ordinance after that date to undertake enforcement, it shall enforce the code within the city. A city may by ordinance extend the enforcement of the code to contiguous unincorporated territory not more than two miles distant from its corporate limits in any direction. Where two or more noncontiguous cities which have elected to enforce the code have boundaries less than four miles apart, each is authorized to enforce the code on its side of a line equidistant between them. Once enforcement authority is extended extraterritorially by ordinance, the authority may continue to be exercised in the designated territory even though another city less than four miles distant later elects to enforce the code. After the extension, the city may enforce the code in the designated area to the same extent as if the property were situated within its corporate limits. No ordinance adopted by a city or development agreement entered into by a city may contain a provision more restrictive or stringent than a comparable provision of the State Building Code. This section does not prohibit a city from adopting ordinances or entering into development agreements containing provisions on matters that are not directly related to a comparable provision of the State Building Code.

A city which, on June 3, 1977, had not adopted the code may not commence enforcement of the code within or outside of its jurisdiction until it has provided written notice to the commissioner, the county auditor, and the town clerk of each town in which it intends to enforce the code. A public hearing on the proposed enforcement must be held not less than 30 days after the notice has been provided. Enforcement of the code by the city outside of its jurisdiction commences on the first day of January in the year following the notice and hearing.

Municipalities may provide for the issuance of permits, inspection, and enforcement within their jurisdictions by means which are convenient, and lawful, including by means of contracts with other municipalities pursuant to section 471.59, and with qualified individuals. The other municipalities or qualified individuals may be reimbursed by retention or remission of some or all of the building permit fee collected or by other means. In areas of the state where inspection and enforcement is unavailable from qualified employees of municipalities, the commissioner shall train and designate individuals available to carry out inspection and enforcement on a fee basis.

Sec. 3. Minnesota Statutes 2000, section 16B.63, is amended by adding a subdivision to read:

Subd. 5. [INTERPRETATIVE AUTHORITY.] To achieve uniform and consistent application of the State Building Code, the state building official has final interpretative authority applicable to all codes adopted as part of the State Building Code except for the plumbing code and the electrical code. A final interpretative committee composed of seven members, consisting of five certified building officials and two construction industry representatives, shall review requests for final interpretations relating to that field. The state building official must establish procedures for membership of the interpretative committees. The appropriate committee shall review the request and make a recommendation to the state building official for the final interpretation within 30 days of the request. The state building official must issue an interpretation within ten business days from the recommendation from the review committee. A final interpretation may be appealed within 30 days of its issuance to the commissioner under section 16B.67. The final interpretation must be published within ten business days of its issuance and made available to the public. Final interpretations must be considered for adoption as part of the State Building Code.

Sec. 4. [16B.685] [ANNUAL REPORT.]

Beginning with the first report filed by April 1, 2003, each municipality shall annually report by April 1 to the department, in a format prescribed by the department, all construction and development-related fees collected by the municipality from developers, builders, and subcontractors. The report must include:

- (1) the number and valuation of units for which fees were paid;
- (2) the amount of building permit fees, plan review fees, administrative fees, engineering fees, infrastructure fees, and other construction and development-related fees; and
- (3) the expenses associated with the municipal activities for which fees were collected.

Sec. 5. Minnesota Statutes 2000, section 326.90, subdivision 1, is amended to read:

Subdivision 1. [LOCAL LICENSE PROHIBITED.] Except as provided in sections 326.991 and 326.90, subdivision 2, and 326.991, a political subdivision may not require a person licensed under sections 326.83 to 326.991 to also be licensed or pay a registration or other fee related to licensure under any ordinance, law, rule, or regulation of the political subdivision. This section does not prohibit charges for building permits or other charges not directly related to licensure.

Sec. 6. Minnesota Statutes 2000, section 462.353, subdivision 4, is amended to read:

Subd. 4. [FEES.] A municipality may prescribe fees sufficient to defray the costs incurred by it in reviewing, investigating, and administering an application for an amendment to an official control established pursuant to sections 462.351 to 462.364 or an application for a permit or other approval required under an official control established pursuant to those sections. Fees as prescribed shall must be by ordinance and must be fair, reasonable, and proportionate to the actual cost of the service for which the fee is imposed. A municipality shall adopt management and accounting procedures to ensure that fees are maintained and used only for the purpose for which they are collected.

If a dispute arises over a specific fee imposed by a municipality related to a specific application, the amount of the fee must be deposited and held in escrow, and the person aggrieved by the fee may appeal under section 462.361. An approved application may proceed as if the fee had been paid, pending a decision on the appeal.

Sec. 7. [462.3531] [WAIVER OF RIGHTS; PROHIBITION.]

A local government unit must not require a contractor, builder, or developer of property to waive a right possessed by the contractor, builder, or developer as a condition of receiving any approval for the development or construction of a property."

Delete the title and insert:

"A bill for an act relating to construction; giving the state building official final authority for interpreting the State Building Code and prescribing its enforcement; requiring municipalities to submit annual reports on construction-related fees; regulating construction-related fees; prohibiting municipalities from requiring waivers of rights as a condition for issuance of a construction-related permit; amending Minnesota Statutes 2000, sections 16B.61, subdivision 1; 16B.62, subdivision 1; 16B.63, by adding a subdivision; 326.90, subdivision 1; 462.353, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 16B; 462."

And when so amended the bill do pass and be re-referred to the Committee on Jobs, Housing and Community Development. Amendments adopted. Report adopted.

Senator Kelly, R.C. from the Committee on Transportation, to which was referred

S.F. No. 1598: A bill for an act relating to motor vehicles; repealing restrictions on handlebar height for motorcycles and motorized bicycles; amending Minnesota Statutes 2000, section 169.974, subdivision 3.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Kelly, R.C. from the Committee on Transportation, to which was referred

S.F. No. 1410: A bill for an act relating to motor vehicles; providing for lifetime registration of light utility trailers; amending Minnesota Statutes 2000, section 168.013, subdivision 1d.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Kelly, R.C. from the Committee on Transportation, to which was re-referred

S.F. No. 1165: A bill for an act relating to taxation; establishing the metropolitan transportation improvement board; directing the secretary of state to conduct metropolitan area election concerning imposition of one-half cent general sales tax; authorizing the board to impose one-half cent sales tax and motor vehicle excise tax in the metropolitan area; dedicating revenues to interstate and trunk highway improvements and transit capital in the metropolitan area; appropriating money; amending Minnesota Statutes 2000, section 174.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 473.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 20, after the comma, insert "(1)"

Page 1, line 24, after "expenditures" insert "and (2) of the additional trunk highway funds made available by the tax revenues collected under section 473.922, subdivisions 5 and 6, no less than \$100,000,000 must be spent in each of the counties of Anoka, Carver, Dakota, Scott, and Washington during the period of imposition of these taxes. The commissioner must let each project funded as described in this clause no later than June 30, 2011"

Page 4, line 1, delete "up to" and insert "at least"

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations. Amendments adopted. Report adopted.

Senator Vickerman from the Committee on State and Local Government Operations, to which was referred

S.F. No. 1404: A bill for an act relating to state employment; permitting retired state employees to purchase group long-term care insurance through the same plan offered to active state employees; amending Minnesota Statutes 2000, section 43A.318, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 26, after "43A.27," insert "subdivision 3,"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Senator Sams from the Committee on Health and Family Security, to which was referred

S.F. No. 1421: A bill for an act relating to health; modifying requirements for full-time nursing home administrators; amending Minnesota Statutes 2000, section 144A.04, subdivision 5; repealing Minnesota Statutes 2000, section 144A.04, subdivision 5a; and Minnesota Rules, part 4658.0055, subpart 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 4, before "Each" insert "(a)"

Page 2, line 7, after the period, insert "The nursing home may share the services of a licensed administrator."

Page 2, line 9, delete "and ensure that needs of the residents are met" and insert "in compliance with applicable rules and regulations"

Page 2, line 10, delete "shall" and insert "must"

Page 2, line 12, after the period, insert "Each nursing home must have posted at all times the name of the administrator and the name of the person in charge on the premises in the absence of the licensed administrator."

(b) Notwithstanding sections 144A.18 to 144A.27, a nursing home with a director of nursing serving as an unlicensed nursing home administrator as of March 1, 2001, may continue to have a director of nursing serve in that capacity, provided the director of nursing has passed the state law and rules examination administered by the board of examiners for nursing home administrators and maintains evidence of completion of 20 hours of continuing education each year on topics pertinent to nursing home administration." and strike "The"

Page 2, lines 13 to 16, delete the new language and strike the old language

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Sams from the Committee on Health and Family Security, to which was referred

S.F. No. 1407: A bill for an act relating to human services; modifying provisions in health care access programs; amending Minnesota Statutes 2000, sections 245B.02, by adding a subdivision; 245B.03, subdivision 1; 252.28, subdivisions 3a and 3b; 256B.056, subdivisions 1a, 4, and 5a; 256B.0595, subdivisions 1 and 2; 256B.0625, subdivision 9; 256B.0635, subdivision 1; 256B.071, subdivision 2; 256B.094, subdivisions 6 and 8; 256B.5013, subdivision 1; 256B.69, subdivision 3a; 256D.03, subdivision 3; and 256L.15, subdivision 1a; Laws 1996, chapter 451, article 2, sections 61 and 62; repealing Minnesota Statutes 2000, section 256B.071, subdivision 5; Laws 1995, chapter 178, article 2, section 46, subdivision 10; Laws 1996, chapter 451, article 2, sections 12, 14, 16, 18, 29, and 30.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Krentz from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1580: A bill for an act relating to natural resources; exempting certain charges from legislative approval; modifying terms for certain lakeshore land exchanges to include leased farmed wild rice lands; authorizing public and private sales of certain state lands in Lake county; adding to a state forest; adding to and creating wildlife management areas; amending Minnesota Statutes 2000, section 16A.1283; Laws 1998, chapter 389, article 16, section 31, subdivision 2, as amended.

Reports the same back with the recommendation that the bill be amended as follows:

Page 7, after line 31, insert:

"Sec. 6. [CONVEYANCE OF SURPLUS STATE LAND; MOWER COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, the commissioner of natural resources may convey to the holders of the life estate for no consideration the surplus state land, including improvements, that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general.

(c) The land to be conveyed is located in Mower county in the Mentel wildlife management

area and is described as: the West 270.00 feet of the South 460.00 feet of the SW 1/4 of the NW 1/4 of Section 5, Township 102 North, Range 17 West, subject to highway easement on the south side thereof. The described tract contains 2.85 acres, more or less.

(d) The commissioner has determined that the land is no longer needed for any state natural resource purpose and that the state's land management interests would best be served if the land was conveyed to the holders of the life estate. The holders of the life estate donated over 110 acres of land to the Mentel wildlife management area, including the land described in paragraph (c). The holders of the life estate have requested that the building site be returned to them. The conveyance gives the holders of the life estate full title free of state interest."

Page 8, line 8, delete "SE1/4-NE1/4 and SE1/4" and insert "NW1/4-SE1/4 and S1/2-SE1/4"

Page 8, after line 15, insert:

"Sec. 10. [PRIVATE CONVEYANCE OF CONSOLIDATED CONSERVATION LAND; AITKIN COUNTY.]

(a) Notwithstanding the classification and public sale provisions of Minnesota Statutes, chapters 84A and 282, or other law to the contrary, Aitkin county may sell to the city of Hill City the consolidated conservation land that is described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapters 84A and 282.

(b) The conveyance must be in a form approved by the attorney general and must provide that the land reverts to the state if it is not used for public purposes. The consideration for the conveyance must not be less than the appraised value of the timber. Proceeds shall be disposed of according to Minnesota Statutes, chapter 84A.

(c) The land that may be sold is located in Aitkin county and is described as: SE1/4-NE1/4 and NE1/4-SE1/4 of Section 22, Township 52 North, Range 26 West."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "authorizing conveyance of certain surplus state land in Mower county;"

Page 1, line 8, after the semicolon, insert "authorizing the private conveyance of consolidated conservation land in Aitkin county;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Kelly, R.C. from the Committee on Transportation, to which was referred

S.F. No. 1498: A bill for an act relating to transportation; modifying restrictions on funds in disaster accounts of county state-aid highway fund and municipal state-aid street fund; transferring authority for grants to highway safety center to commissioner of public safety; modifying state rail bank lease provisions; amending Minnesota Statutes 2000, sections 162.06, subdivision 3; 162.12, subdivision 3; 171.29, subdivision 2; and 222.63, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 6, after line 18, insert:

"Sec. 5. [EFFECTIVE DATE.]

Section 3 is effective July 1, 2001."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Vickerman from the Committee on State and Local Government Operations, to which was referred

S.F. No. 1619: A bill for an act relating to housing; streamlining the residential development process; authorizing the state building official to have final interpretive authority of the State Building Code; authorizing the construction codes advisory council to establish a technical advisory group; requiring a report; establishing the State Building Code as the building standard for the state of Minnesota; authorizing municipalities to require developers to include affordable housing; modifying the requirements for adoption or amendment of zoning ordinances; amending Minnesota Statutes 2000, sections 16B.63, by adding a subdivision; 327A.01, subdivision 2; 327A.02, subdivisions 1 and 3; 462.351; 462.352, by adding a subdivision; and 462.357, subdivisions 1, 2, and by adding a subdivision; repealing Minnesota Statutes 2000, section 462.357, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 22 to 32

Page 2, delete lines 1 to 10 and insert:

"Subd. 5. [FINAL INTERPRETIVE AUTHORITY.] (a) To achieve uniform and consistent application of the State Building Code, the state building official has final interpretive authority relating to all aspects of the State Building Code, except for the plumbing code and the electrical code.

(b) The state building official shall establish interpretive committees for each of the respective fields of the State Building Code, such as building, mechanical, elevators, accessibility, energy, and manufactured structures. Each interpretive committee must have seven members consisting of code officials and industry representatives who are knowledgeable in their respective fields. The state building official shall establish procedures for membership in the interpretive committees. The interpretive committees shall review requests for final interpretation and make recommendations to the state building official for the final interpretation within 30 days of the request. The state building official shall issue an interpretation within ten business days from the recommendation from the review committee. A final interpretation may be appealed within 30 days of its issuance to the commissioner under section 16B.67. The final interpretation must be published within ten business days of its issuance and made available to the public. Final interpretations must be considered for adoption as part of the State Building Code.

(c) Municipal building officials shall administer all final interpretations issued by the state building official as part of the State Building Code."

Page 6, line 7, delete "for persons"

Page 6, line 8, delete "with low or moderate income"

Page 6, line 29, before "plan" insert "land use"

Page 7, line 30, after the second comma, insert "Minnesota association of townships,"

Page 7, line 36, delete everything after "member"

Page 8, line 1, delete "majority leader" and insert "of the majority caucus" and after "member" insert "of a minority caucus of the senate,"

Page 8, line 2, delete everything before the semicolon and insert "subcommittee on committees of the senate committee on rules and administration"

And when so amended the bill do pass and be re-referred to the Committee on Jobs, Housing and Community Development. Amendments adopted. Report adopted.

Senator Vickerman from the Committee on State and Local Government Operations, to which was referred

S.F. No. 782: A bill for an act relating to metropolitan government; providing for county commissioners to serve as metropolitan council members; regulating contributions to candidates; requiring a study; amending Minnesota Statutes 2000, sections 10A.01, subdivision 10; 10A.09, subdivision 6a; 10A.27, subdivision 1; 15.0597, subdivision 1; 204B.06, subdivision 4; 204B.09, subdivisions 1 and 1a; 204B.11; 204B.135, subdivision 2; 204B.32, subdivision 2; 204D.02, subdivision 1; 204D.08, subdivision 6; 204D.27, by adding a subdivision; 209.02, subdivision 1; 211A.01, subdivision 3; 211B.01, subdivision 3; 353D.01, subdivision 2; and 473.123, subdivisions 1, 4, and 7; proposing coding for new law in Minnesota Statutes, chapters 204D; 375; and 473; repealing Minnesota Statutes 2000, section 473.123, subdivisions 2a, 3, 3a, and 3c.

Reports the same back with the recommendation that the bill be amended as follows:

Page 16, line 13, delete "December 31, 2002" and insert "January 15, 2003"

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Sams from the Committee on Health and Family Security, to which was referred

S.F. No. 1345: A bill for an act relating to health; modifying the Vital Statistics Act; modifying access to adoption records; providing criminal penalties; amending Minnesota Statutes 2000, sections 144.212, subdivisions 2a, 3, 5, 7, 8, 9, and 11; 144.214, subdivisions 1, 3, and 4; 144.215, subdivisions 1, 3, 4, 6, and 7; 144.217; 144.218; 144.221, subdivisions 1 and 3; 144.222, subdivision 2; 144.223; 144.225, subdivisions 1, 2, 3, 4, and 7; 144.226, subdivisions 1 and 3; 144.227; and 260C.317, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 2000, sections 144.1761; 144.217, subdivision 4; and 144.219.

Reports the same back with the recommendation that the bill be amended as follows:

Page 7, line 11, after "record" insert ", except for the registration number,"

Page 10, line 31, after "(b)" insert "or (e)"

Page 11, delete lines 17 to 21 and insert:

"(e) The commissioner of human services shall have access to birth records for:

(1) the purposes of administering medical assistance, general assistance medical care, and the MinnesotaCare program;

(2) child support enforcement purposes; and

(3) other public health purposes as determined by the commissioner of health.

Sec. 24. Minnesota Statutes 2000, section 144.225, subdivision 2a, is amended to read:

Subd. 2a. [HEALTH DATA ASSOCIATED WITH BIRTH REGISTRATION.] Information from which an identification of risk for disease, disability, or developmental delay in a mother or child can be made, that is collected in conjunction with birth registration or fetal death reporting, is private data as defined in section 13.02, subdivision 12. The commissioner may disclose to a local board of health, as defined in section 145A.02, subdivision 2, health data associated with birth registration which identifies a mother or child at high risk for serious disease, disability, or developmental delay in order to assure access to appropriate health, social, or educational services. Notwithstanding the designation of the private data, the commissioner of human services shall have access to health data associated with birth registration for:

(1) purposes of administering medical assistance, general assistance medical care, and the MinnesotaCare program; and

(2) for other public health purposes as determined by the commissioner of health."

Page 12, line 3, before "The" insert "(a)"

Page 12, after line 36, insert:

"(b) The state or local registrar shall also issue a certified death certificate to an individual described in paragraph (a), clause (1), items (ii) to (vii), if, on behalf of the individual, a mortician designated to receive death certificates under section 144.214, subdivision 4, furnishes the registrar with a properly completed attestation in the form provided by the commissioner within 180 days of the time of death of the subject of the death record. This paragraph is not subject to the requirements specified in Minnesota Rules, part 4601.2600, subpart 5, item B."

Page 15, line 19, delete "AND DEATH"

Page 15, lines 21 and 25, delete "or 144.221"

Renummer the sections in sequence

Amend the title as follows:

Page 1, lines 3 and 4, delete "providing criminal penalties;"

Page 1, lines 5, 6, 7, and 14, delete "and"

Page 1, line 8, delete "and" and insert a comma

Page 1, line 9, before "3" insert "2a," and delete "and"

Page 1, line 10, delete the first "and" and insert a comma and delete the second "and"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Senator Sams from the Committee on Health and Family Security, to which was referred

S.F. No. 691: A bill for an act relating to human services; adding day training and habilitation services as a covered service under medical assistance; appropriating money; amending Minnesota Statutes 2000, sections 252.43; and 256B.0625, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 252.43, is amended to read:

252.43 [COMMISSIONER'S DUTIES.]

The commissioner shall supervise county boards' provision of day training and habilitation services to adults with mental retardation and related conditions. The commissioner shall:

- (1) determine the need for day training and habilitation services under section 252.28;
- (2) approve payment rates established by a county under section 252.46, subdivision 1;
- (3) adopt rules for the administration and provision of day training and habilitation services under sections 252.40 to 252.46 and sections 245A.01 to 245A.16 and 252.28, subdivision 2;
- (4) enter into interagency agreements necessary to ensure effective coordination and provision of day training and habilitation services;
- (5) monitor and evaluate the costs and effectiveness of day training and habilitation services;
and
- (6) provide information and technical help to county boards and vendors in their administration and provision of day training and habilitation services; and

(7) authorize payment with state funds and any available federal Medicaid funds for services provided to individuals authorized under section 252.44, paragraph (a), clause (1).

Sec. 2. Minnesota Statutes 2000, section 256B.092, subdivision 5, is amended to read:

Subd. 5. [FEDERAL WAIVERS.] (a) The commissioner shall apply for any federal waivers necessary to secure, to the extent allowed by law, federal financial participation under United States Code, title 42, sections 1396 et seq., as amended, for the provision of services to persons who, in the absence of the services, would need the level of care provided in a regional treatment center or a community intermediate care facility for persons with mental retardation or related conditions. The commissioner may seek amendments to the waivers or apply for additional waivers under United States Code, title 42, sections 1396 et seq., as amended, to contain costs. The commissioner shall ensure that payment for the cost of providing home and community-based alternative services under the federal waiver plan shall not exceed the cost of intermediate care services including day training and habilitation services that would have been provided without the waived services.

(b) The commissioner, in administering home and community-based waivers for persons with mental retardation and related conditions, shall ensure that day services for eligible persons are not provided by the person's residential service provider, unless the person or the person's legal representative is offered a choice of providers and agrees in writing to provision of day services by the residential service provider. The individual service plan for individuals who choose to have their residential service provider provide their day services must describe how health, safety, and protection needs will be met by frequent and regular contact with persons other than the residential service provider.

Sec. 3. [FEDERAL WAIVER REQUESTS.]

The commissioner of human services shall submit to the federal Health Care Financing Administration by September 1, 2001, a request for a home and community-based services waiver for day services, including: community inclusion, supported employment, and day training and habilitation services defined in Minnesota Statutes, section 252.41, subdivision 3, clause (1), for persons eligible for the waiver under Minnesota Statutes, section 256B.092.

Sec. 4. [APPROPRIATION.]

\$...... is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 2003, to implement sections 1 to 3."

Delete the title and insert:

"A bill for an act relating to human services; adding day training and habilitation services as a covered service under medical assistance; appropriating money; amending Minnesota Statutes 2000, sections 252.43; 256B.092, subdivision 5."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Sams from the Committee on Health and Family Security, to which was referred

S.F. No. 1245: A bill for an act relating to public guardianship; appropriating money; amending Minnesota Statutes 2000, sections 252A.02, subdivisions 3, 12, 13, and by adding a subdivision; 252A.111, subdivisions 5 and 6; 252A.14; 252A.16, subdivision 1; 252A.19, subdivision 9; 252A.20, subdivision 1; 252A.21, subdivision 2; repealing Minnesota Statutes 2000, section 252A.111, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 19, delete "certified"

Page 2, line 34, strike "directly or"

Page 2, line 35, delete "contract" and insert "contracting"

Page 4, delete section 9

Page 5, delete line 15

Page 5, line 16, delete everything before the period

Page 5, delete line 22

Page 5, line 23, delete everything before the period

Page 5, line 29, delete "12" and insert "11"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "252A.19, subdivision 9;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Krentz from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1402: A bill for an act relating to capital improvements; authorizing the issuance of state bonds; removing references to specific subwatershed projects; appropriating money for flood hazard mitigation grants for the Red river basin; amending Minnesota Statutes 2000, section 103F.161, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, delete "\$6,950,000" and insert "\$234,000" and delete "bond proceeds" and insert "general"

Page 1, delete section 2

Page 2, line 8, delete "to 3" and insert "and 2"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to natural resources; expanding eligibility for the Red river basin flood hazard mitigation projects that may receive 75 percent state grants; appropriating money for flood hazard mitigation grants for the Red river basin; amending Minnesota Statutes 2000, section 103F.161, subdivision 3."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Krentz from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1743: A bill for an act relating to the environment; providing for revenues and expenditures from the environmental fund; establishing a remediation fund; appropriating money; amending Minnesota Statutes 2000, sections 16A.531, subdivision 1, by adding subdivisions; 115.073; 115.56, subdivision 4; 115A.908, subdivisions 1, 2; 115A.9651, subdivision 6; 115B.17, subdivisions 6, 7, 14, 16; 115B.19; 115B.20; 115B.22, subdivision 7; 115B.25, subdivisions 1a, 4; 115B.26; 115B.30; 115B.31, subdivisions 1, 3, 4; 115B.32, subdivision 1; 115B.33, subdivision 1; 115B.34; 115B.36; 115B.40, subdivision 4; 115B.41, subdivisions 1, 2, 3; 115B.42, subdivision 2;

115B.421; 115B.445; 115B.48, subdivision 2; 115B.49, subdivisions 2, 3, 4; 115B.50, subdivision 3; 116.07, subdivisions 4d, 4h; 116.994; 116C.834, subdivision 1; 297H.13, subdivisions 1, 2; 325E.10, subdivision 1; 325E.112, subdivision 3; 469.175, subdivision 7; 473.843, subdivision 2; 473.844, subdivisions 1, 1a; 473.845, subdivisions 3, 7, 8; 473.846; proposing coding for new law in Minnesota Statutes, chapter 116; repealing Minnesota Statutes 2000, sections 2.0230; 115B.02, subdivision 1a; 115B.19; 115B.22, subdivision 8; 115B.42, subdivision 1; 115B.48, subdivision 2; 115B.49, subdivision 1; 116.12; 297H.13, subdivisions 3, 4; 325E.113; 473.845, subdivisions 1, 4; Minnesota Rules, parts 7002.0210; 7002.0220; 7002.0230; 7002.0240; 7002.0250; 7002.0270; 7002.0280; 7002.0290; 7002.0300; 7002.0305; 7002.0310.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 17, after "tax" insert "allocated"

Page 2, line 18, delete "chapter 297H" and insert "section 297H.13, subdivision 2"

Page 32, line 10, after "law" insert "or rule"

Amend the title as follows:

Page 1, line 23, delete "2.0230;"

And when so amended the bill be re-referred to the Committee on Taxes without recommendation. Amendments adopted. Report adopted.

Senator Pappas from the Committee on Education, to which was referred

S.F. No. 1169: A bill for an act relating to education; providing for a state board for charter schools; appropriating money; amending Minnesota Statutes 2000, sections 124D.10, subdivisions 1, 3, 4, 6, 8, 10, 14, 15, 16, 17, 19, 23, 25, and by adding a subdivision; and 124D.11, subdivision 6.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on State and Local Government Operations. Report adopted.

Senator Sams from the Committee on Health and Family Security, to which was referred

S.F. No. 1415: A bill for an act relating to health; modifying the terms of certain health-related advisory councils, committees, and task forces; transferring certain enforcement authority related to the provision of funeral goods and services; modifying provisions for public health collaboration plans; modifying rural hospital programs eligibility; repealing professional boxing regulation; amending Minnesota Statutes 2000, sections 15.059, subdivision 5a; 62J.692, subdivision 2; 62Q.03, subdivision 5a; 62Q.075; 115.741, subdivision 3; 144.147, subdivision 1; 144.148, subdivision 1; 144.1481, subdivision 1; 144.1483; 144.6905, subdivision 1; 145.881, subdivision 1; 145A.10, subdivision 10; 149A.01, by adding a subdivision; 149A.02, subdivision 14, and by adding a subdivision; 149A.11; 149A.62; 149A.71, subdivision 4; and 149A.97, subdivision 8; repealing Minnesota Statutes 2000, section 144.994.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 62Q.075, is amended to read:

62Q.075 [LOCAL PUBLIC ACCOUNTABILITY AND COLLABORATION PLAN.]

Subdivision 1. [DEFINITION.] For purposes of this section, "~~managed care organization~~" means a ~~health maintenance organization or community integrated service network.~~

Subd. 2. [REQUIREMENT.] Beginning October 31, 1997 ~~2004~~, all ~~managed care health maintenance~~ organizations shall file ~~biennially with the action plans required under section~~

~~62Q.07~~ a plan every four years with the commissioner of health describing the actions the managed-care health maintenance organization has taken and those it intends to take to contribute to achieving one or more high priority public health goals for each service area in which an enrollee of the managed-care organization resides. This plan must be jointly developed in collaboration with the local public health units, and other community organizations providing health services within the same service area as the managed-care health maintenance organization. Local government units with responsibilities and authority defined under chapters 145A and 256E may designate individuals to participate in the collaborative planning with the managed-care health maintenance organization to provide expertise and represent community needs and goals as identified under chapters 145A and 256E. Every other year, beginning October 31, 2002, all health maintenance organizations shall file reports updating progress on the four-year collaboration plan.

Subd. 3. [CONTENTS.] The plan must address the following:

(a) (1) specific measurement strategies and a description of any activities which contribute to one or more high priority public health goals and needs of high risk and special needs populations as defined and developed under chapters 145A and 256E;

(b) (2) description of the process by which the managed-care health maintenance organization will coordinate its activities with the community health boards, and other relevant community organizations servicing the same area;

(c) (3) documentation indicating that local public health units and local government unit designees were involved in the development of the plan; and

(d) (4) documentation of compliance with the plan filed the previous year previously, including data on the previously identified progress measures.

Subd. 4. [REVIEW.] Upon receipt of the plan, the ~~appropriate~~ commissioner of health shall provide a copy to the local community health boards, and other relevant community organizations within the managed-care health maintenance organization's service area. After reviewing the plan, these community groups may submit written comments on the plan to ~~either the commissioner of health or commerce, as applicable,~~ and may advise the commissioner of the managed-care health maintenance organization's effectiveness in assisting to achieve regional high priority public health goals. The plan may be reviewed by the county boards, or city councils acting as a local board of health in accordance with chapter 145A, within the managed-care health maintenance organization's service area to determine whether the plan is consistent with the goals and objectives of the plans required under chapters 145A and 256E and whether the plan meets the needs of the community. The county board, or applicable city council, may also review and make recommendations on the availability and accessibility of services provided by the managed-care health maintenance organization. The county board, or applicable city council, may submit written comments to the ~~appropriate~~ commissioner of health, and may advise the commissioner of the managed-care health maintenance organization's effectiveness in assisting to meet the needs and goals as defined under the responsibilities of chapters 145A and 256E. ~~The commissioner of health shall develop recommendations to utilize the written comments submitted as part of the licensure process to ensure local public accountability. These recommendations shall be reported to the legislative commission on health care access by January 15, 1996. Copies of these written comments must be provided to the managed-care health maintenance organization. The plan and any comments submitted must be filed with the information clearinghouse to be distributed to the public.~~

Sec. 2. Minnesota Statutes 2000, section 144.147, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] "Eligible rural hospital" means any nonfederal, general acute care hospital that:

(1) is either located in a rural area, as defined in the federal Medicare regulations, Code of Federal Regulations, title 42, section 405.1041, or located in a community with a population of less than ~~5,000~~ 10,000, according to United States Census Bureau statistics, outside the seven-county metropolitan area;

- (2) has 50 or fewer beds; and
- (3) is not for profit.

Sec. 3. Minnesota Statutes 2000, section 144.148, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] (a) For purposes of this section, the following definitions apply.

(b) "Eligible rural hospital" means any nonfederal, general acute care hospital that:

(1) is either located in a rural area, as defined in the federal Medicare regulations, Code of Federal Regulations, title 42, section 405.1041, or located in a community with a population of less than ~~5,000~~ 10,000, according to United States Census Bureau Statistics, outside the seven-county metropolitan area;

- (2) has 50 or fewer beds; and
- (3) is not for profit.

(c) "Eligible project" means a modernization project to update, remodel, or replace aging hospital facilities and equipment necessary to maintain the operations of a hospital.

Sec. 4. Minnesota Statutes 2000, section 144.1483, is amended to read:

144.1483 [RURAL HEALTH INITIATIVES.]

The commissioner of health, through the office of rural health, and consulting as necessary with the commissioner of human services, the commissioner of commerce, the higher education services office, and other state agencies, shall:

(1) develop a detailed plan regarding the feasibility of coordinating rural health care services by organizing individual medical providers and smaller hospitals and clinics into referral networks with larger rural hospitals and clinics that provide a broader array of services;

(2) develop and implement a program to assist rural communities in establishing community health centers, as required by section 144.1486;

(3) administer the program of financial assistance established under section 144.1484 for rural hospitals in isolated areas of the state that are in danger of closing without financial assistance, and that have exhausted local sources of support;

(4) develop recommendations regarding health education and training programs in rural areas, including but not limited to a physician assistants' training program, continuing education programs for rural health care providers, and rural outreach programs for nurse practitioners within existing training programs;

(5) develop a statewide, coordinated recruitment strategy for health care personnel and maintain a database on health care personnel as required under section 144.1485;

(6) develop and administer technical assistance programs to assist rural communities in: (i) planning and coordinating the delivery of local health care services; and (ii) hiring physicians, nurse practitioners, public health nurses, physician assistants, and other health personnel;

(7) study and recommend changes in the regulation of health care personnel, such as nurse practitioners and physician assistants, related to scope of practice, the amount of on-site physician supervision, and dispensing of medication, to address rural health personnel shortages;

(8) support efforts to ensure continued funding for medical and nursing education programs that will increase the number of health professionals serving in rural areas;

(9) support efforts to secure higher reimbursement for rural health care providers from the Medicare and medical assistance programs;

(10) coordinate the development of a statewide plan for emergency medical services, in cooperation with the emergency medical services advisory council;

(11) establish a Medicare rural hospital flexibility program pursuant to section 1820 of the federal Social Security Act, United States Code, title 42, section 1395i-4, by developing a state rural health plan and designating, consistent with the rural health plan, rural nonprofit or public hospitals in the state as critical access hospitals. Critical access hospitals shall include facilities that are certified by the state as necessary providers of health care services to residents in the area. Necessary providers of health care services are designated as critical access hospitals on the basis of being more than 20 miles, defined as official mileage as reported by the Minnesota department of transportation, from the next nearest hospital ~~or~~, being the sole hospital in the county ~~or~~, being a hospital located in a county with a designated ~~medical~~ medically underserved area or health professional shortage area, or being a hospital located in a county contiguous to a county with a medically underserved area or health professional shortage area. A critical access hospital located in a county with a designated ~~medical~~ medically underserved area or a health professional shortage area or in a county contiguous to a county with a medically underserved area or health professional shortage area shall continue to be recognized as a critical access hospital in the event the ~~medical~~ medically underserved area or health professional shortage area designation is subsequently withdrawn; and

(12) carry out other activities necessary to address rural health problems.

Sec. 5. Minnesota Statutes 2000, section 149A.01, is amended by adding a subdivision to read:

Subd. 4. [NONLIMITING.] Nothing in this chapter shall be construed to limit the powers granted to the commissioner of health, commissioner of commerce, state attorney general, or a county attorney in any other statute, law, or rule.

Sec. 6. Minnesota Statutes 2000, section 149A.02, subdivision 14, is amended to read:

Subd. 14. [DISCIPLINARY ACTION.] "Disciplinary action" means any action taken by the commissioner regulatory agency against any person subject to regulation under this chapter for the violation of or the threatened violation of any law, rule, order, stipulation agreement, settlement, compliance agreement, license, or permit adopted, issued, or enforced by the commissioner regulatory agency.

Sec. 7. Minnesota Statutes 2000, section 149A.02, is amended by adding a subdivision to read:

Subd. 37a. [REGULATORY AGENCY.] "Regulatory agency" means:

(1) the commissioner of health for provisions related to a funeral provider who is required to be licensed, registered, or issued a permit under this chapter; and

(2) the commissioner of commerce for provisions related to insurance policies purchased by a preneed consumer to arrange for funeral goods, funeral services, burial site goods, or burial services.

Sec. 8. Minnesota Statutes 2000, section 149A.11, is amended to read:

149A.11 [PUBLICATION OF DISCIPLINARY ACTIONS.]

The regulatory agencies shall report all disciplinary measures or actions taken to the commissioner. At least annually, the commissioner shall publish and make available to the public a description of all disciplinary measures or actions taken by the commissioner regulatory agencies. The publication shall include, for each disciplinary measure or action taken, the name and business address of the licensee or intern, the nature of the misconduct, and the measure or action taken by the commissioner regulatory agency.

Sec. 9. Minnesota Statutes 2000, section 149A.62, is amended to read:

149A.62 [IMMUNITY; REPORTING.]

Any person, private agency, organization, society, association, licensee, or intern who, in good faith, submits information to ~~the commissioner~~ a regulatory agency under section 149A.61 or otherwise reports violations or alleged violations of this chapter, is immune from civil liability or criminal prosecution. This section does not prohibit disciplinary action taken by the commissioner against any licensee or intern pursuant to a self report of a violation.

Sec. 10. Minnesota Statutes 2000, section 149A.71, subdivision 4, is amended to read:

Subd. 4. [CASKET, ALTERNATE CONTAINER, AND CREMATION CONTAINER SALES; RECORDS; REQUIRED DISCLOSURES.] Any funeral provider who sells or offers to sell a casket, alternate container, or cremation container to the public must maintain a record of each sale that includes the name of the purchaser, the purchaser's mailing address, the name of the decedent, the date of the decedent's death, and the place of death. These records shall be open to inspection by the ~~commissioner~~ regulatory agency and reported to the commissioner. Any funeral provider selling a casket, alternate container, or cremation container to the public, and not having charge of the final disposition of the dead human body, shall enclose within the casket, alternate container, or cremation container information provided by the commissioner that includes a blank certificate of death, and a copy of the statutes and rules controlling the removal, preparation, transportation, arrangements for disposition, and final disposition of a dead human body. This subdivision does not apply to morticians, funeral directors, funeral establishments, crematories, or wholesale distributors of caskets, alternate containers, or cremation containers.

Sec. 11. Minnesota Statutes 2000, section 149A.97, subdivision 8, is amended to read:

Subd. 8. [INVESTIGATIONS BY STATE AUDITOR.] Upon notification from the county auditor or ~~the commissioner of health~~ a regulatory agency of indications of violations of this chapter, or upon reliable written verification by any person, the state auditor shall make an independent determination of whether a violation of the provisions in this chapter is occurring or is about to occur. If the state auditor finds such evidence, the state auditor shall conduct any examinations of accounts and records of the entity that the state auditor considers the public interest to demand and shall inform the appropriate agency of any finding of misconduct. The state auditor may require the entity being examined to send all books, accounts, and vouchers pertaining to the receipt, disbursement, and custody of funds to the office of the state auditor for examination. The person, firm, partnership, association, or corporation examined under this section by the state auditor shall reimburse the state auditor for expenses incurred in conducting the examination within 30 days after the state auditor submits its expenses. Interest at the rate established in section 549.09 shall accrue on the outstanding balance starting on the 31st day after the state auditor's office submits its request for expenses.

Sec. 12. [TRANSFER OF ENFORCEMENT AUTHORITY.]

(a) The terms used in this section have the meanings given in Minnesota Statutes, section 149A.02.

(b) Except as otherwise provided in statute, enforcement authority for Minnesota Statutes, sections 149A.70, 149A.71, 149A.72, 149A.73, 149A.74, 149A.745, 149A.75, and 149A.97, may be exercised for provisions related to insurance policies purchased by a preneed consumer to arrange for funeral goods, funeral services, burial site goods, or burial services, enforcement authority may be exercised by the commissioner of commerce.

(c) The commissioner of health retains enforcement authority for provisions of Minnesota Statutes, chapter 149A, related to funeral providers that are required to be licensed, registered, or issued a permit under that chapter.

Sec. 13. [REVISOR'S INSTRUCTION.]

The revisor of statutes shall change the term "commissioner" or "commissioner of health" to "regulatory agency" wherever it appears in Minnesota Statutes, sections 149A.04; 149A.05; 149A.06; 149A.07; 149A.08; 149A.09; 149A.10; 149A.60; and 149A.61, subdivisions 1, 2, 3, 6, 7, and 8.

Sec. 14. [REPEALER.]

Minnesota Statutes 2000, section 144.994, is repealed.

Laws 2000, chapter 488, article 2, section 26, is repealed."

Delete the title and insert:

"A bill for an act relating to health; extending certain enforcement authority related to the provision of funeral goods and services; modifying provisions for public health collaboration plans; modifying rural hospital programs eligibility; repealing professional boxing regulation; amending Minnesota Statutes 2000, sections 62Q.075; 144.147, subdivision 1; 144.148, subdivision 1; 144.1483; 149A.01, by adding a subdivision; 149A.02, subdivision 14, by adding a subdivision; 149A.11; 149A.62; 149A.71, subdivision 4; 149A.97, subdivision 8; repealing Minnesota Statutes 2000, section 144.994; Laws 2000, chapter 488, article 2, section 26."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Pappas from the Committee on Education, to which was referred

S.F. No. 943: A bill for an act relating to education; establishing a board for educational administrators; transferring duties; providing for rulemaking; appropriating money; amending Minnesota Statutes 2000, sections 122A.162; 122A.163; 122A.18, subdivisions 1 and 4; 122A.20, subdivision 2; 122A.21; 214.01, subdivision 3; 214.04, subdivisions 1 and 3; and 214.12, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 122A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 122A.162, is amended to read:

122A.162 [LICENSURE RULES.]

The commissioner may make rules relating to licensure of school personnel not licensed by the board of teaching or the board of education leadership.

Sec. 2. Minnesota Statutes 2000, section 122A.163, is amended to read:

122A.163 [TEACHER RULE VARIANCES; COMMISSIONER.]

Notwithstanding any law to the contrary, and only upon receiving the agreement of the state board of teaching or board of education leadership, whichever has jurisdiction over the teachers' licensure, the commissioner of children, families, and learning may grant a variance to rules governing licensure of teachers for those teachers licensed by the board of teaching or board of education leadership, whichever has jurisdiction. The commissioner may grant a variance, without the agreement of the board of teaching or board of education leadership, to rules adopted by the commissioner governing licensure of teachers for those teachers the commissioner licenses.

Sec. 3. Minnesota Statutes 2000, section 122A.18, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY TO LICENSE.] (a) The board of teaching must license teachers, as defined in section 122A.15, subdivision 1, except for supervisory personnel, as defined in section 122A.15, subdivision 2.

(b) ~~The commissioner of children, families, and learning~~ board of education leadership must license supervisory personnel as defined in section 122A.15, subdivision 2, except for athletic coaches.

(c) Licenses under the jurisdiction of the board of teaching, the board of education leadership, and the commissioner of children, families, and learning must be issued through the licensing section of the department.

Sec. 4. Minnesota Statutes 2000, section 122A.18, subdivision 4, is amended to read:

Subd. 4. [EXPIRATION AND RENEWAL.] (a) Each license the department of children, families, and learning issues through its licensing section must bear the date of issue. Licenses must expire and be renewed according to the respective rules the board of teaching, the board of education leadership, or the commissioner of children, families, and learning adopts. Requirements for renewing a license must include showing satisfactory evidence of successful teaching experience for at least one school year during the period covered by the license in grades or subjects for which the license is valid or completing such additional preparation as the board of teaching prescribes. ~~The commissioner of children, families, and learning~~ board of education leadership shall establish requirements for renewing the licenses of supervisory personnel, except athletic coaches.

(b) The board of teaching shall offer alternative continuing relicensure options for teachers who are accepted into and complete the national board for professional teaching standards certification process, and offer additional continuing relicensure options for teachers who earn national board for professional teaching standards certification. Continuing relicensure requirements for teachers who do not maintain national board for professional teaching standards certification are those the board prescribes.

Sec. 5. [122A.191] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 122A.191 to 122A.193, the terms in this section have the meanings given them, unless another meaning is clearly indicated.

Subd. 2. [BOARD.] "Board" means board of education leadership.

Subd. 3. [SUPERVISORY PERSONNEL.] "Supervisory personnel" means supervisory personnel as defined in section 122A.15, subdivision 2, excluding athletic coaches.

Sec. 6. [122A.192] [BOARD OF EDUCATION LEADERSHIP.]

Subdivision 1. [MEMBERSHIP.] A board of education leadership is established and must consist of nine members appointed by the governor with the advice and consent of the senate, including at least:

- (1) one elementary school principal;
- (2) one secondary school principal;
- (3) one higher education faculty member in an educational administration program approved by the board;
- (4) one higher education administrator for an educational administration program approved by the board;
- (5) one school superintendent;
- (6) one classroom teacher;
- (7) one community education director or a special education director; and
- (8) two members of the public, one of whom must be a present or former member of a school board.

In making appointments, the governor shall solicit recommendations from groups representing persons in clauses (1) to (8).

Subd. 2. [TERMS; COMPENSATION; REMOVAL; ADMINISTRATION.] Membership terms, removal of members, and the filling of membership vacancies are as provided in section 214.09. The terms of the initial board members must be determined by lot as follows:

- (1) three members must be appointed for terms that expire August 1, 2002;
- (2) three members must be appointed for terms that expire August 1, 2003; and
- (3) three members must be appointed for terms that expire August 1, 2004.

Members shall not receive the daily payment under section 214.09, subdivision 3. The employer of a member shall not reduce the member's compensation or benefits for the member's absence from employment when engaging in the business of the board. The provision of staff, administrative services, and office space; the review and processing of complaints; the setting of fees; the selection and duties of an executive secretary to serve the board; and other provisions relating to board operations are as provided in chapter 214. Fiscal year and reporting requirements are as provided in sections 214.07 and 214.08.

Subd. 3. [VACANT POSITION.] The position of a member is deemed vacant if the member leaves Minnesota or the member's employment status changes to a category different from that for which the member was appointed.

Subd. 4. [MEETINGS.] The board must meet regularly at the times and places determined by the board. The board must nominate and elect a chair and other officers from its membership.

Subd. 5. [EXECUTIVE SECRETARY.] The board may have an executive secretary who is in the unclassified civil service and who is not a member of the board.

Subd. 6. [COMMISSIONER'S ASSISTANCE; BOARD MONEY.] The commissioner shall provide all necessary materials and assistance for the transaction of business of the board under section 122A.18 and all money received by the board shall be paid into the state treasury as provided by law. The expenses of administering sections 122A.15, 122A.16, 122A.162 to 122A.18, 122A.191 to 122A.23, and 122A.27 that are incurred by the board of education leadership must be paid for from appropriations made to the board of education leadership.

Sec. 7. [122A.193] [DUTIES OF THE BOARD OF EDUCATION LEADERSHIP.]

Subdivision 1. [LICENSING; RULEMAKING; PREPARATION PROGRAMS.] The board must establish standards and procedures, that are supported by current research and best practices, for preparing supervisory personnel for licensure, licensing, and the renewal of licenses of supervisory personnel. The board must adopt administrative rules, in accordance with chapter 14, for implementing the supervisory personnel licensure process, including approving supervisory personnel preparation programs and allowing public and private organizations to offer alternative preparation programs leading to licensure of supervisory personnel.

Subd. 2. [ACCOUNTABILITY.] The board must develop accountability measures for programs preparing students for licensure and report the progress of the programs to the legislature by January 15 of every other year beginning with the 2003 legislature.

Subd. 3. [REGISTER OF PERSONS LICENSED.] The executive secretary of the board shall keep a record of the proceedings of the board and a register of all persons licensed under this section. The register must show the name, address, license number, and the renewal of the license. The board must, on July 1 of each year or as soon thereafter as possible, compile a list of licensed supervisory personnel and send a copy of the list to the board. A copy of the register must be available during business hours at the office of the board to any interested person.

Subd. 4. [RULES FOR CONTINUING EDUCATION REQUIREMENTS.] The board shall adopt rules establishing continuing education requirements which promote continuous improvement and acquisition of new and relevant skills by school administrators.

Subd. 5. [CODE OF ETHICS.] The board shall adopt by rule a code of ethics covering standards of professional practice, including ethical conduct, professional performance, and methods of enforcement, and advise school administrators in interpreting the code of ethics.

Sec. 8. Minnesota Statutes 2000, section 122A.21, is amended to read:

122A.21 [TEACHERS' AND ADMINISTRATORS' LICENSES; FEES.]

Each application for the issuance, renewal, or extension of a license to teach and each application for the issuance, renewal, or extension of a license as supervisory personnel must be accompanied by a processing fee in an amount set by the board of teaching or the board of education leadership, whichever has jurisdiction over the license, by rule. The processing fee for a teacher's license and for the licenses of supervisory personnel must be paid to the executive secretary of the board of teaching or the board of education leadership, whichever has jurisdiction over the license. The executive secretary secretaries of the board of teaching and the board of education leadership shall deposit the fees with the state treasurer, as provided by law, and report each month to the commissioner of finance the amount of fees collected. The fees as set by the board of teaching and the board of education leadership are nonrefundable for applicants not qualifying for a license. However, a fee must be refunded by the state treasurer in any case in which the applicant already holds a valid unexpired license. The board of teaching and the board of education leadership may waive or reduce fees for applicants who apply at the same time for more than one license.

Sec. 9. Minnesota Statutes 2000, section 214.01, subdivision 3, is amended to read:

Subd. 3. [NON-HEALTH-RELATED LICENSING BOARD.] "Non-health-related licensing board" means the board of teaching established pursuant to section 122A.07, the board of education leadership established under section 122A.192, the board of barber examiners established pursuant to section 154.22, the board of assessors established pursuant to section 270.41, the board of architecture, engineering, land surveying, landscape architecture, geoscience, and interior design established pursuant to section 326.04, the board of accountancy established pursuant to section 326.17, the board of electricity established pursuant to section 326.241, the private detective and protective agent licensing board established pursuant to section 326.33, the board of boxing established pursuant to section 341.01, and the peace officer standards and training board established pursuant to section 626.841.

Sec. 10. Minnesota Statutes 2000, section 214.04, subdivision 1, is amended to read:

Subdivision 1. [SERVICES PROVIDED.] The commissioner of administration with respect to the board of electricity, the commissioner of children, families, and learning with respect to the board of teaching and the board of education leadership, the commissioner of public safety with respect to the board of private detective and protective agent services, and the board of peace officer standards and training, and the commissioner of revenue with respect to the board of assessors, shall provide suitable offices and other space, joint conference and hearing facilities, examination rooms, and the following administrative support services: purchasing service, accounting service, advisory personnel services, consulting services relating to evaluation procedures and techniques, data processing, duplicating, mailing services, automated printing of license renewals, and such other similar services of a housekeeping nature as are generally available to other agencies of state government. Investigative services shall be provided the boards by employees of the office of attorney general. The commissioner of health with respect to the health-related licensing boards shall provide mailing and office supply services and may provide other facilities and services listed in this subdivision at a central location upon request of the health-related licensing boards. The commissioner of commerce with respect to the remaining non-health-related licensing boards shall provide the above facilities and services at a central location for the remaining non-health-related licensing boards. The legal and investigative services for the boards shall be provided by employees of the attorney general assigned to the departments servicing the boards. Notwithstanding the foregoing, the attorney general shall not be precluded by this section from assigning other attorneys to service a board if necessary in order to insure competent and consistent legal representation. Persons providing legal and investigative services shall to the extent practicable provide the services on a regular basis to the same board or boards.

Sec. 11. Minnesota Statutes 2000, section 214.04, subdivision 3, is amended to read:

Subd. 3. [OFFICERS; STAFF.] The executive director of each health-related board and the executive secretary of each non-health-related board shall be the chief administrative officer for the board but shall not be a member of the board. The executive director or executive secretary

shall maintain the records of the board, account for all fees received by it, supervise and direct employees servicing the board, and perform other services as directed by the board. The executive directors, executive secretaries, and other employees of the following boards shall be hired by the board, and the executive directors or executive secretaries shall be in the unclassified civil service, except as provided in this subdivision:

- (1) dentistry;
- (2) medical practice;
- (3) nursing;
- (4) pharmacy;
- (5) accountancy;
- (6) architecture, engineering, land surveying, landscape architecture, geoscience, and interior design;
- (7) barber examiners;
- (8) cosmetology;
- (9) electricity;
- (10) teaching;
- (11) peace officer standards and training;
- (12) social work;
- (13) marriage and family therapy; and
- (14) dietetics and nutrition practice; and
- (15) education leadership.

The executive directors or executive secretaries serving the boards are hired by those boards and are in the unclassified civil service, except for part-time executive directors or executive secretaries, who are not required to be in the unclassified service. Boards not requiring full-time executive directors or executive secretaries may employ them on a part-time basis. To the extent practicable, the sharing of part-time executive directors or executive secretaries by boards being serviced by the same department is encouraged. Persons providing services to those boards not listed in this subdivision, except executive directors or executive secretaries of the boards and employees of the attorney general, are classified civil service employees of the department servicing the board. To the extent practicable, the commissioner shall ensure that staff services are shared by the boards being serviced by the department. If necessary, a board may hire part-time, temporary employees to administer and grade examinations.

Sec. 12. Minnesota Statutes 2000, section 214.12, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] The health-related and non-health-related licensing boards may promulgate by rule requirements for renewal of licenses designed to promote the continuing professional competence of licensees. These requirements of continuing professional education or training shall be designed solely to improve professional skills and shall not exceed an average attendance requirement of 50 clock hours per year. All requirements promulgated by the boards shall be effective commencing January 1, 1977, or at a later date as the board may determine. The 50 clock hour limitation shall not apply to the board of teaching and board of education leadership.

Sec. 13. [TRANSFER OF POWERS AND DUTIES; RULES.]

Except as otherwise provided in this section and in Minnesota Statutes, section 122A.18, the powers, duties, and responsibilities of the commissioner of children, families, and learning with

respect to supervisory personnel as defined in Minnesota Statutes, section 122A.15, subdivision 2, except for athletic coaches, are transferred to the board of education leadership.

Sec. 14. [INSTRUCTION TO REVISOR.]

In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall substitute the term "board of education leadership" for the term "commissioner" or "commissioner of children, families, and learning" in the following sections of Minnesota Statutes: 122A.18, subdivisions 3, 6, and 8; 122A.20, subdivision 1; 122A.23, subdivision 1; 122A.27, subdivisions 1, 4, and 5; 123A.21; 123B.03, subdivision 1; and 125A.67, subdivision 2.

Sec. 15. [APPROPRIATION.]

\$..... in fiscal year 2002 and \$..... in fiscal year 2003 are appropriated from the general fund to the board of education leadership."

Delete the title and insert:

"A bill for an act relating to education; establishing a board of education leadership; providing for rulemaking; appropriating money; amending Minnesota Statutes 2000, sections 122A.162; 122A.163; 122A.18, subdivisions 1, 4; 122A.21; 214.01, subdivision 3; 214.04, subdivisions 1, 3; 214.12, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 122A."

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations. Amendments adopted. Report adopted.

Senator Marty from the Committee on Judiciary, to which was referred

S.F. No. 728: A bill for an act relating to civil commitment; requiring case captions to refer to the proposed patient by initials; requiring sealing of commitment court records; amending Minnesota Statutes 2000, sections 253B.07, subdivision 2; and 253B.23, subdivision 9.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete section 2

Amend the title as follows:

Page 1, delete line 4

Page 1, line 5, delete "sections" and insert "section"

Page 1, line 6, delete "; and 253B.23, subdivision 9"

And when so amended the bill do pass. Senator Betzold questioned the reference thereon and, under Rule 21, the bill was referred to the Committee on Rules and Administration.

Senator Marty from the Committee on Judiciary, to which was referred

S.F. No. 1545: A bill for an act relating to human rights; making technical changes; amending Minnesota Statutes 2000, sections 363.03, subdivision 8; 363.05, subdivision 1; 363.073, subdivision 1; and 363.074; repealing Minnesota Statutes 2000, sections 363.01, subdivision 20; and 363.03, subdivision 8b.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 19, after "discriminate" insert "in the extension of personal or commercial credit"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Ranum from the Committee on Crime Prevention, to which was referred

S.F. No. 1043: A bill for an act relating to peace officers; prescribing grounds for license revocation, suspension, or denial; removing the requirement that the peace officer standards and training board report to the legislature on the activities of the minority recruiter; repealing the law empowering council members of certain cities to act as peace officers to suppress riotous or disorderly conduct; amending Laws 1997, chapter 239, article 1, section 9; proposing coding for new law in Minnesota Statutes, chapter 626; repealing Minnesota Statutes 2000, section 412.101.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 22, before "violation" insert "a" and before "standards" insert "the"

Page 2, line 6, delete "disqualification" and insert "crime that would disqualify the licensee" and delete "participation" and insert "participating"

Page 2, line 9, before "eligibility" insert "maintaining" and delete "or licensure in" and insert "under"

Page 3, lines 4 to 8, reinstate the stricken language

Page 3, line 11, after the stricken period, insert "information provided to the board on minority recruiting by MNSCU."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Ranum from the Committee on Crime Prevention, to which was referred

S.F. No. 1347: A bill for an act relating to human services; requiring a sex offender assessment; amending Minnesota Statutes 2000, section 609.3452, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 609.3452, subdivision 1, is amended to read:

Subdivision 1. [ASSESSMENT REQUIRED.] ~~When a person is convicted of a violation of section 609.342; 609.343; 609.344; 609.345; 609.3451; 609.746, subdivision 1; 609.79; or 617.23, or another offense arising out of a charge based on one or more of those sections sex offense,~~ the court shall order an independent professional assessment of the offender's need for sex offender treatment. The court may waive the assessment if: (1) the sentencing guidelines provide a presumptive prison sentence for the offender, or (2) an adequate assessment was conducted prior to the conviction. An assessor providing an assessment for the court must be experienced in the evaluation and treatment of sex offenders.

Sec. 2. Minnesota Statutes 2000, section 609.3452, is amended by adding a subdivision to read:

Subd. 1a. [REPEAT OFFENDERS; MANDATORY ASSESSMENT.] When a person is convicted of a felony-level sex offense, and the person has previously been convicted of a sex offense regardless of the penalty level, the court shall order a sex offender assessment to be completed by the Minnesota security hospital. The assessment must contain the facts upon which the assessment conclusion is based, with reference to the offense history of the offender or the severity of the current offense, the social history of the offender, and the results of an examination of the offender's mental status unless the offender refuses to be examined. The assessment conclusion may not be based on testing alone. Upon completion, the assessment must be forwarded to the court and the commissioner of corrections. The court shall consider the assessment when sentencing the offender and, if applicable, when making the preliminary determination regarding the appropriateness of a civil commitment petition under section 609.1351.

Sec. 3. Minnesota Statutes 2000, section 609.3452, is amended by adding a subdivision to read:

Subd. 4. [DEFINITION.] As used in this section, "sex offense" means a violation of section 609.342; 609.343; 609.344; 609.345; 609.3451; 609.746, subdivision 1; 609.79; or 617.23; or another offense arising out of a charge based on one or more of those sections.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to human services; requiring a sex offender assessment for certain repeat sex offenders; amending Minnesota Statutes 2000, section 609.3452, subdivision 1, by adding subdivisions."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Ranum from the Committee on Crime Prevention, to which was re-referred

S.F. No. 222: A bill for an act relating to natural resources; establishing penalties for gross overlimit violations of fish and game laws; setting certain restitution values; providing criminal penalties; requiring fish and game license seizure for gross overlimits violations; establishing possession criteria for commercial fishing operations; modifying commercial license reinstatement provisions; amending Minnesota Statutes 2000, sections 97A.015, by adding subdivisions; 97A.225, subdivision 1; 97A.255, by adding a subdivision; 97A.341, subdivision 1; 97A.345; 97A.421, subdivision 5, by adding a subdivision; 97C.505, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 97A; 97C.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Judiciary. Report adopted.

Senator Ranum from the Committee on Crime Prevention, to which was referred

S.F. No. 844: A bill for an act relating to crime prevention; establishing a mental health court pilot program for criminal offenders in the second judicial district; authorizing the sharing of certain corrections and detention data for supervision purposes; appropriating money; amending Minnesota Statutes 2000, section 13.85, subdivision 2.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Judiciary. Report adopted.

Senator Ranum from the Committee on Crime Prevention, to which was referred

S.F. No. 1396: A bill for an act relating to sex offenders; authorizing HIV test results to be maintained in inmate medical records; amending Minnesota Statutes 2000, section 611A.19.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Judiciary. Report adopted.

Senator Ranum from the Committee on Crime Prevention, to which was referred

S.F. No. 1770: A bill for an act relating to public defense; providing for the salary of the state public defender; amending Minnesota Statutes 2000, sections 15A.083, subdivision 4; and 611.23.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Kelly, R.C. from the Committee on Transportation, to which was referred

S.F. No. 1599: A bill for an act relating to transportation; authorizing use of

wheelchair-accessible vehicles in taxicab service in the metropolitan area; proposing coding for new law in Minnesota Statutes, chapter 221.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2000, section 221.011, subdivision 49, is amended to read:

Subd. 49. [SMALL VEHICLE PASSENGER SERVICE.] (a) "Small vehicle passenger service" means a service provided by a person engaged in the for-hire transportation of passengers in a vehicle designed to transport seven or fewer persons, including the driver.

(b) In the metropolitan area as defined in section 473.121, subdivision 2, "small vehicle passenger service" also includes for-hire transportation of persons who are certified by the metropolitan council to use special transportation service provided under section 473.386, in a vehicle designed to transport not more than 15 persons including the driver, that is equipped with a wheelchair lift and at least three wheelchair securement positions.

Sec. 2. Minnesota Statutes 2000, section 473.386, is amended by adding a subdivision to read:

Subd. 8. [TRANSFER OF VEHICLES.] The metropolitan council may transfer to a special transportation service provider or a provider of taxi services the title to a vehicle formerly used to provide special transportation service under this section. If the council transfers title to a provider of taxi services, it may do so only to a provider of taxi services that is licensed by a city whose taxi licensing ordinance requires (1) criminal background checks and annual driving record checks for drivers, and (2) inspection of vehicles at least annually.

Sec. 3. [APPLICATION.]

Sections 1 and 2 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Delete the title and insert:

"A bill for an act relating to transportation; expanding definition of small vehicle passenger service to include certain transportation provided in wheelchair-accessible vehicles; imposing restrictions on transfer of former metro mobility vehicles by the metropolitan council; amending Minnesota Statutes 2000, sections 221.011, subdivision 49; 473.386, by adding a subdivision."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Sams from the Committee on Health and Family Security, to which was referred

S.F. No. 1364: A bill for an act relating to child support; expanding the medical support bonus incentives program to all cases for which the county agency provides child support enforcement services; reforming and recodifying the law relating to medical support; reforming and recodifying the law relating to child support; providing for cost-of-living adjustments in medical support orders; amending Minnesota Statutes 2000, sections 256.9791; 518.54, subdivisions 1, 4a, 6, 8, and by adding subdivisions; 518.551, subdivision 5c; 518.553; 518.6111, subdivision 1; 518.64, subdivision 2; and 518.641, subdivisions 1, 3, 4, and 5; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 2000, sections 518.171; and 518.551, subdivisions 1, 5, 5a, 5b, 5e, 5f, 6, 7, 9, and 11.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, lines 26 to 28, strike the old language

Page 3, lines 7, 9, and 19, strike "identified or"

Page 3, line 12, strike "identifies or"

Page 3, line 13, strike "identified"

Page 3, line 14, strike "or"

Page 4, lines 5 and 6, strike "in accordance with" and insert "under"

Page 4, after line 11, insert:

"Sec. 2. Minnesota Statutes 2000, section 256L.04, is amended by adding a subdivision to read:

Subd. 14. [COURT ORDERED APPLICATIONS.] Notwithstanding subdivision 7a, a child or parent ordered to apply for public health care coverage under section 518.1711, subdivision 4, paragraph (e), must be enrolled regardless of the income limit eligibility.

Sec. 3. Minnesota Statutes 2000, section 256L.15, subdivision 2, is amended to read:

Subd. 2. [SLIDING FEE SCALE TO DETERMINE PERCENTAGE OF GROSS INDIVIDUAL OR FAMILY INCOME.] (a) The commissioner shall establish a sliding fee scale to determine the percentage of gross individual or family income that households at different income levels must pay to obtain coverage through the MinnesotaCare program. The sliding fee scale must be based on the enrollee's gross individual or family income. The sliding fee scale must contain separate tables based on enrollment of one, two, or three or more persons. The sliding fee scale begins with a premium of 1.5 percent of gross individual or family income for individuals or families with incomes below the limits for the medical assistance program for families and children in effect on January 1, 1999, and proceeds through the following evenly spaced steps: 1.8, 2.3, 3.1, 3.8, 4.8, 5.9, 7.4, and 8.8 percent. These percentages are matched to evenly spaced income steps ranging from the medical assistance income limit for families and children in effect on January 1, 1999, to 275 percent of the federal poverty guidelines for the applicable family size, up to a family size of five. The sliding fee scale for a family of five must be used for families of more than five. The sliding fee scale and percentages are not subject to the provisions of chapter 14. If a family or individual reports increased income after enrollment, premiums shall not be adjusted until eligibility renewal.

(b) Enrolled individuals and families whose gross annual income increases above 275 percent of the federal poverty guideline shall pay the maximum premium. The maximum premium is defined as a base charge for one, two, or three or more enrollees so that if all MinnesotaCare cases paid the maximum premium, the total revenue would equal the total cost of MinnesotaCare medical coverage and administration. In this calculation, administrative costs shall be assumed to equal ten percent of the total. The costs of medical coverage for pregnant women and children under age two and the enrollees in these groups shall be excluded from the total. The maximum premium for two enrollees shall be twice the maximum premium for one, and the maximum premium for three or more enrollees shall be three times the maximum premium for one.

(c) The parent who enrolls a child under section 256L.04, subdivision 14, who has income in excess of the income eligibility shall pay the maximum premium."

Page 4, line 24, after the second comma, insert "or a policy, contract, or certificate issued by a community integrated service network licensed under chapter 62N"

Page 5, line 1, after "child" insert "and includes an amount ordered under subdivision 4, paragraph (e)"

Page 5, line 4, delete "child" and after "order" insert "under the Code of Federal Regulations"

Page 5, line 20, delete "products" and insert "medicine"

Page 6, line 2, after "be" insert "allocated to and"

Page 6, line 3, after the semicolon, insert "and"

Page 6, line 6, delete "and" and insert "or"

Page 6, delete line 7

Page 6, line 10, before the period, insert "; and

(4) whether the amount ordered for medical support is subject to a cost of living adjustment under section 518.641, subdivision 5"

Page 7, line 6, delete "adjusted" and after "income" insert "adjusted for child support"

Page 7, line 8, delete "cost of" and after "coverage" insert "premium"

Page 7, line 10, delete "adjusted" and after "income" insert "adjusted for child support"

Page 7, line 14, delete everything after "(4)"

Page 7, delete line 15

Page 7, line 16, delete "court may consider"

Page 7, line 19, delete "enrollment be maintained" and insert "parent who currently has the child enrolled continue that enrollment"

Page 7, line 23, delete the first "the" and insert "a"

Page 7, line 32, delete "custodial" and after "parent" insert "with whom the child resides"

Page 7, line 35, delete "noncustodial" and after "parent" insert "with whom the child does not reside" and delete "or"

Page 7, line 36, delete "noncustodial" and after "parent" insert "with whom the child does not reside"

Page 8, line 2, delete "custodial parent's" and after "coverage" insert "of the parent with whom the child resides"

Page 8, line 3, delete "noncustodial" and insert "other" and before the period, insert "; or

(3) both parents agree to provide coverage and agree on the allocation of costs"

Page 8, line 9, delete "noncustodial party" and insert "parent with whom the child does not reside"

Page 8, line 10, after "contribute" insert "toward the cost of public coverage for the child or the child's uninsured medical expenses in an amount equal to"

Page 8, line 11, delete "adjusted gross" and after "income" insert "available for child support"

Page 8, line 12, after the first "the" insert "monthly" and after "amount" insert "the parent with whom the child does not reside would pay for the child's premiums based on the parent's income that is available for child support for a household size equal to the parent plus the child who is a subject of the order as"

Page 8, line 13, delete "toward the cost of public coverage for"

Page 8, line 14, delete everything before the period

Page 8, line 15, delete "custodial party" and insert "parent with whom the child resides"

Page 8, line 30, delete "other party must contribute to the"

Page 8, line 31, after "coverage" insert "must be allocated between the parties"

Page 9, line 6, after "(a)" insert "A copy of the national medical support notice or notice of medical withholding must be forwarded by the public authority to the employer within two

business days after the date an employee is entered into the work reporting system under section 256.998.

(b)" and delete "noncustodial"

Page 9, line 9, delete "court order for" and insert "notice of medical withholding"

Page 9, line 10, delete "health care coverage" and delete "noncustodial"

Page 9, line 11, delete "only" and insert "when the conditions under paragraph (d) are met or"

Page 9, line 12, delete everything before the period

Page 9, line 13, delete "(b)" and insert "(c)" and delete "a custodial party is ordered to carry health care"

Page 9, line 14, delete "coverage for the child or"

Page 9, line 15, after the comma, insert "the party seeking to enforce the order may forward"

Page 9, line 16, delete "may be forwarded"

Page 9, line 17, delete "carrying party's" and after "union" insert "of the party ordered to carry coverage"

Page 9, line 18, delete "only when ordered by the court or"

Page 9, line 19, delete "paragraphs (c) and" and insert "paragraph" and after "met" insert "or when ordered by the court"

Page 9, delete lines 20 to 23

Page 9, line 26, before "if" insert "under paragraphs (b) and (c)"

Page 9, lines 27, 33, and 36, delete "carrying" and insert "ordered to carry"

Page 10, line 1, delete "carrying" and insert "ordered to carry"

Page 10, line 6, delete "Unless a party contests"

Page 10, line 7, delete "enrollment," and after "employer" insert "or union"

Page 11, line 1, delete "hearing" and insert "matter to be heard"

Page 11, line 5, before "REQUIREMENTS" insert "AND UNION"

Page 11, line 15, delete "minor"

Page 11, line 21, delete "the child must be" and insert "the plan administrator must notify the parents and the public authority."

Page 11, delete lines 22 and 23

Page 11, line 29, after "and" insert ", if necessary,"

Page 12, line 8, delete "insurance program" and insert "health plan"

Page 12, line 23, after "employer" insert "or union"

Page 12, line 25, delete "or" and insert a comma and after "employer" insert ", or union"

Page 13, line 11, after "provided" insert "by the employer or union"

Page 14, line 14, after "employer" insert ", union,"

Page 14, line 28, delete everything after "(c)"

Page 14, delete lines 29 to 32

Page 14, line 33, delete "employer." and delete "health" and after "plan" insert "administrator"

Page 15, line 2, delete everything after the period

Page 15, delete lines 3 to 5

Page 16, delete line 17 and insert "instituted against a parent with whom the child resides under section 518.6111, and must provide notice to the parties."

Page 16, line 21, delete "90" and insert "30"

Page 16, line 22, delete "of the action"

Page 17, line 16, after the period, insert "The time period in this paragraph does not apply if the location of the other parent is unknown."

Page 17, line 18, delete "the other party"

Page 17, line 20, delete everything after "care"

Page 17, delete line 21

Page 17, line 29, delete "request" and insert "file a motion requesting"

Page 17, line 33, delete everything after the period

Page 17, delete lines 34 and 35

Page 18, line 2, delete "requested a hearing" and insert "filed a motion"

Page 18, delete line 12 and insert "provide that unless the other party pays in full, enters"

Page 18, line 13, delete "request a hearing" and insert "files a motion"

Page 18, line 14, after "notice" insert ", the public authority will commence enforcement under subdivision 20"

Page 18, line 18, after "paragraph" insert "(b) or"

Page 18, line 19, delete "makes a timely written request" and insert "files a timely motion"

Page 18, line 28, after the period, insert "The party seeking reimbursement must file the original affidavit of health care expenses with the court at least five days before the hearing."

Page 19, line 4, delete "in an amount equal to 20 percent" and insert "under section 518.6111, subdivision 10"

Page 19, delete lines 5 to 8

Page 19, line 9, delete everything before the semicolon

Page 19, line 18, delete "five" and insert "14"

Page 19, line 19, delete everything after the period

Page 19, delete line 20

Page 20, line 29, after "393," insert "518B,"

Page 21, line 21, after the period, insert "Income does not include maintenance ordered under chapters 518 and 518B."

Page 21, delete line 24 and insert:

"Subd. 6a. [GROSS INCOME ADJUSTED FOR CHILD SUPPORT.] "Gross income adjusted for child support""

Page 21, line 25, delete "for purposes of calculating child support"

Page 21, line 33, delete "adjusted"

Page 21, line 34, after "income" insert "adjusted for child support"

Page 22, line 12, strike "obligated" and insert "ordered"

Page 22, line 23, delete "set child" and insert "enter a"

Page 22, line 24, after "support" insert "order" and delete "court" and insert "support"

Page 22, line 29, delete "child"

Page 23, line 8, delete everything after the period

Page 23, delete lines 9 and 10

Page 23, line 11, delete "prehearing conference."

Page 23, line 18, delete "evidencing" and insert "providing verification of" and delete "that provide verification"

Page 23, line 19, delete "of income"

Page 23, delete line 21 and insert "seeking support has been commenced or when a support"

Page 23, after line 36, insert:

"Subd. 4. [FAILURE OF NOTICE.] If the court in a dissolution, legal separation, or determination of parentage proceeding, finds before issuing the order for judgment and decree that notification has not been given to the public authority, the court must set support according to the guidelines in sections 518.5413 to 518.5416. In proceedings in which notification has not been made under this section and in which the public authority determines that the support ordered is lower than required by the guidelines in sections 518.5413 to 518.5416, the public authority must move the court for a redetermination of the support payments ordered so that the support payments comply with the guidelines."

Page 24, line 22, before "Compensation" insert "(a) Income does not include"

Page 24, line 23, delete "is excluded from the"

Page 24, line 24, delete everything before "if"

Page 24, delete lines 25 to 29

Page 24, line 30, delete "(i)" and insert "(1)"

Page 24, line 34, delete "(ii)" and insert "(2)"

Page 24, line 36, delete "(iii)" and insert "(3)"

Page 25, line 3, delete "(iv)" and insert "(4)"

Page 25, delete lines 6 to 8 and insert:

"(b) The court may presume that a party with seasonal or intermittent income who works periods in excess of a 40-hour work week, but who works a substantially normal number of hours over the course of a year, is working within the normal range of hours worked."

Page 25, line 13, delete everything after the headnote and insert "Self-employed persons or independent contractors may deduct ordinary and necessary expenses when calculating gross income adjusted for child support under this section"

Page 25, line 14, delete everything before the period

Page 26, line 2, delete "in accordance with" and insert "under"

Page 26, line 25, delete "pursuant to" and insert "under"

Page 27, delete lines 19 to 29

Page 27, delete line 30 and insert:

"Subd. 2. [BASIC SUPPORT INCOME LIMIT.] The dollar amount"

Page 27, line 31, delete "for application of the guidelines" and insert "in the basic support schedule in section 518.5423"

Page 28, line 3, delete "4" and insert "3"

Page 28, line 25, delete "annually" and insert "on July 1 of each year"

Page 28, delete line 26 and insert:

"Subd. 2. [CALCULATING GROSS INCOME ADJUSTED FOR CHILD SUPPORT.] Monthly"

Page 28, lines 27 and 30, delete "adjusted" and after "income" insert "adjusted for child support"

Page 28, line 28, delete "in accordance with" and insert "under"

Page 28, line 34, delete "adjusted"

Page 28, line 35, after "income" insert "adjusted for child support"

Page 29, line 1, delete "adjusted" and after "income" insert "adjusted for child support"

Page 29, line 9, delete "adjusted"

Page 29, line 10, after "income" insert "adjusted for child support"

Page 29, lines 14 and 15, delete "in accordance with" and insert "under"

Page 29, line 31, after the period, insert "The deduction must not exceed the basic support ordered under this section."

Page 30, delete lines 11 to 13

Page 30, line 14, delete "(f)" and insert "(e)"

Page 30, line 20, delete "(g)" and insert "(f)"

Page 30, lines 22 and 24, delete "(f)" and insert "(e)"

Page 30, line 25, delete "(h)" and insert "(g)"

Page 30, line 31, delete "adjusted" and after "income" insert "adjusted for child support"

Page 31, line 32, after the period, insert "The custodial parent must notify the public authority within 30 days of the date the child care costs ended."

Page 32, line 8, delete "adjusted" and after "income" insert "adjusted for child support"

Page 32, line 25, delete everything after "a"

Page 32, delete lines 26 to 29 and insert "In ordering medical support under this section, the court must comply with section 518.1711."

Page 32, line 30, delete "adjusted" and after "income" insert "adjusted for child support"

Page 33, line 21, delete "adjusted" and after "income" insert "adjusted for child support"

Page 34, delete lines 7 to 13

Page 34, line 14, delete "8" and insert "7"

Page 34, line 24, delete "9" and insert "8"

Page 34, line 26, delete "adjusted" and after "income" insert "adjusted for child support"

Page 34, line 30, delete "must" and insert "may"

Page 35, line 1, delete "adjusted" and after "income" insert "adjusted for child support"

Page 35, delete lines 3 and 4 and insert:

"(3) if the amount calculated under clause (2) is less than 120 percent of the federal poverty guidelines for one person, subtract the amount from 120 percent of the federal poverty guidelines for one person and reduce the support order as provided in paragraph (b)."

Page 35, line 21, delete "and" and insert "or"

Page 37, line 11, delete "MADE" and insert "ASSIGNED"

Page 38, delete lines 4 to 15

Page 38, line 25, delete "child"

Page 38, line 26, delete "or medical support,"

Page 46, line 14, after the period, insert "The fact that a parent has had additional children after the entry of a child support order is not a basis for modification under this section."

Page 47, line 31, strike "pursuant to" and insert "under"

Page 49, lines 32 and 33, strike "in accordance with" and insert "under"

Page 50, line 2, strike "pursuant to" and insert "under"

Page 50, line 11, delete "pursuant to" and insert "under"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, after the semicolon, insert "256L.04, by adding a subdivision; 256L.15, subdivision 2;"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Senator Murphy from the Committee on Agriculture, General Legislation and Veterans Affairs, to which was referred

S.F. No. 1495: A bill for an act relating to agriculture; eliminating the late fee for renewal of a license to use the Minnesota grown logo or labeling; clarifying a term related to the Minnesota

grown matching account; amending Minnesota Statutes 2000, sections 17.102, subdivision 3; and 17.109, subdivision 3.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Murphy from the Committee on Agriculture, General Legislation and Veterans Affairs, to which was referred

S.F. No. 1497: A bill for an act relating to agriculture; modifying provisions relating to the rural finance authority; amending Minnesota Statutes 2000, sections 41B.025, subdivision 1; 41B.03, subdivision 2; 41B.043, subdivisions 1b and 2; and 41B.046, subdivision 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Murphy from the Committee on Agriculture, General Legislation and Veterans Affairs, to which was referred

S.F. No. 1499: A bill for an act relating to agriculture; changing financing provisions of a cooperative meat inspection program; amending Minnesota Statutes 2000, section 31A.21, subdivision 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Sams from the Committee on Health and Family Security, to which was referred

S.F. No. 1070: A bill for an act relating to long-term care; expanding the availability of information for consumers; expanding the capacity of the community-based system; establishing a process for voluntary nursing facility closure; expanding respite care options; providing a wage increase for employees; modifying workforce provisions; proposing a health insurance subsidy; regulating nursing pools; appropriating money; amending Minnesota Statutes 2000, sections 116L.11, subdivision 4; 116L.12, subdivisions 4 and 5; 116L.13, subdivision 1; 144.057; 144.1464; 144.1496, subdivision 3; 245A.04, subdivisions 3, 3a, 3b, and 3d; 256.975, by adding subdivisions; 256B.0911, subdivisions 1, 3, 5, 6, 7, and by adding subdivisions; 256B.0913, subdivision 14; 256B.0915, subdivision 3; 256B.431, by adding a subdivision; 256B.434, subdivision 4; and 256B.5012, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 116L; 144; 144A; and 256B; repealing Minnesota Statutes 2000, sections 116L.10; 116L.12, subdivisions 2 and 7; 256B.0911, subdivisions 2, 2a, 4, 8, and 9; 256B.0913, subdivisions 15a, 15b, and 15c; and 256B.0915, subdivisions 3a, 3b, and 3c.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

CONSUMER INFORMATION AND ASSISTANCE

AND COMMUNITY-BASED CARE

Section 1. [144A.35] [EXPANSION OF BED DISTRIBUTION STUDY AND CREATION OF CRITICAL ACCESS SITES.]

Subdivision 1. [OLDER ADULT SERVICES DISTRIBUTION STUDY.] The commissioner of health, in coordination with the commissioner of human services, shall monitor and analyze the distribution of older adult services, including, but not limited to, nursing home beds, senior housing, housing with services units, and home and community-based services, in the different geographic areas of the state. The study shall include an analysis of the impact of amendments to the nursing home moratorium law that would allow for transfers of nursing home beds within the state. The commissioner of health shall submit to the legislature, beginning January 15, 2002, and each January 15 thereafter, an assessment of the distribution of long-term health care services by

geographic area, with particular attention to service deficits or problems, the designation of critical access service sites, and corrective action plans.

Subd. 2. [CRITICAL ACCESS SERVICE SITE.] "Critical access service site" shall include nursing homes, senior housing, housing with services, and home and community-based services that are certified by the state as necessary providers of health care services to a specific geographic area. For purposes of this requirement, a "necessary provider of health care services" is a provider that is:

(1) located more than 20 miles, defined as official mileage as reported by the Minnesota department of transportation, from the next nearest long-term health care provider;

(2) the sole long-term health care provider in the county; or

(3) a long-term health care provider located in a medically underserved area or health professional shortage area.

Subd. 3. [IDENTIFICATION OF CRITICAL ACCESS SERVICE SITES.] Based on the results of the analysis completed in subdivision 1, the commissioners of health and human services shall identify and designate long-term health care providers as critical access service sites.

Subd. 4. [CRITICAL ACCESS SERVICE SITES.] The commissioner of health, in consultation with the commissioner of human services, shall:

(1) develop and implement specific waivers to regulations governing health care personnel scope of duties, physical plant requirements, and location of community-based services, to address critical access service site older adult service needs; and

(2) identify payment barriers to the continued operation of older adult services in critical access service sites, and provide recommendations on changes to reimbursement rates to facilitate the continued operation of these services.

Sec. 2. Minnesota Statutes 2000, section 256.975, is amended by adding a subdivision to read:

Subd. 7. [CONSUMER INFORMATION AND ASSISTANCE; SENIOR LINKAGE.] (a) The Minnesota board on aging shall operate a statewide information and assistance service to aid older Minnesotans and their families in making informed choices about long-term care options and health care benefits. Language services to persons with limited English language skills must be made available. The service, known as Senior LinkAge Line, must be available during business hours through a statewide toll-free number and must also be available through the Internet.

(b) The service must assist older adults, caregivers, and providers in accessing information about choices in long-term care services that are purchased through private providers or available through public options. The service must:

(1) develop a comprehensive database that includes detailed listings in both consumer- and provider-oriented formats;

(2) make the database accessible on the Internet and through other telecommunication and media-related tools;

(3) link callers to interactive long-term care screening tools and making these tools available through the Internet by integrating the tools with the database;

(4) develop community education materials with a focus on planning for long-term care and evaluating independent living, housing, and service options;

(5) conduct an outreach campaign to assist older adults and their caregivers in finding information on the Internet and through other means of communication;

(6) implement a messaging system for overflow callers and respond to these callers by the next business day;

(7) link callers with county human services and other providers to receive more in-depth assistance and consultation related to long-term care options; and

(8) link callers with quality profiles for nursing facilities and other providers developed by the commissioner of human services.

Sec. 3. [256.9754] [COMMUNITY SERVICES DEVELOPMENT GRANTS PROGRAM.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given.

(a) "Community" means a town, township, city, or targeted neighborhood within a city, or a consortium of towns, townships, cities, or targeted neighborhoods within cities.

(b) "Older adult services" means any services available under the elderly waiver program or alternative care grant program; nursing facility services; transportation services; respite services; and other community-based services identified as necessary either to maintain lifestyle choices for older Minnesotans or to promote independence.

(c) "Older adult" refers to individuals 65 years of age and older.

Subd. 2. [CREATION.] The community services development grants program is created under the administration of the commissioner of human services.

Subd. 3. [PROVISION OF GRANTS.] The commissioner shall make grants available to communities, providers of older adult services identified in subdivision 1, or to a consortium of providers of older adult services, to establish new older adult services. Grants may be provided for capital and other costs including, but not limited to, start-up and training costs, equipment, and supplies related to the establishment of new older adult services or other residential or service alternatives to nursing facility care. Grants may also be made to renovate current buildings, provide transportation services, or expand state-funded programs in the area.

Subd. 4. [ELIGIBILITY.] Grants may be awarded only to communities and providers or to a consortium of providers that have a local match of 50 percent of the costs for the project in the form of donations, local tax dollars, in-kind donations, or other local match.

Sec. 4. Minnesota Statutes 2000, section 256B.0911, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE AND GOAL.] (a) The purpose of the ~~preadmission screening program~~ long-term care consultation services is to assist persons with long-term or chronic care needs in making long-term care decisions and selecting options that meet their needs and reflect their preferences. The availability of, and access to, information and other types of assistance is also intended to prevent or delay certified nursing facility placements ~~by assessing applicants and residents and offering cost-effective alternatives appropriate for the person's needs~~ and to provide transition assistance after admission. Further, the goal of ~~the program~~ these services is to contain costs associated with unnecessary certified nursing facility admissions. The commissioners of human services and health shall seek to maximize use of available federal and state funds and establish the broadest program possible within the funding available.

(b) These services must be coordinated with services provided under sections 256.975, subdivision 7, and 256.9772, and with services provided by other public and private agencies in the community to offer a variety of cost-effective alternatives to persons with disabilities and elderly persons. The county agency providing long-term care consultation services shall encourage the use of volunteers from families, religious organizations, social clubs, and similar civic and service organizations to provide community-based services.

Sec. 5. Minnesota Statutes 2000, section 256B.0911, is amended by adding a subdivision to read:

Subd. 1a. [DEFINITIONS.] For purposes of this section, the following definitions apply:

(a) "Long-term care consultation services" means:

(1) providing information and education to the general public regarding availability of the services authorized under this section;

(2) an intake process that provides access to the services described in this section;

(3) assessment of the health, psychological, and social needs of referred individuals;

(4) assistance in identifying services needed to maintain an individual in the least restrictive environment;

(5) providing recommendations on cost-effective community services that are available to the individual;

(6) development of an individual's community support plan;

(7) providing information regarding eligibility for Minnesota health care programs;

(8) preadmission screening to determine the need for a nursing facility level of care;

(9) preliminary determination of Minnesota health care programs eligibility for individuals who need a nursing facility level of care, with appropriate referrals for final determination;

(10) providing recommendations for nursing facility placement when there are no cost-effective community services available; and

(11) assistance to transition people back to community settings after facility admission.

(b) "Minnesota health care programs" means the medical assistance program under chapter 256B, the alternative care program under section 256B.0913, and the prescription drug program under section 256.955.

Sec. 6. Minnesota Statutes 2000, section 256B.0911, subdivision 3, is amended to read:

Subd. 3. [~~PERSONS RESPONSIBLE FOR CONDUCTING THE PREADMISSION SCREENING LONG-TERM CARE CONSULTATION TEAM.~~] (a) A local screening long-term care consultation team shall be established by the county board of commissioners. Each local screening consultation team shall consist of screeners who are a at least one social worker and a at least one public health nurse from their respective county agencies. The board may designate public health or social services as the lead agency for long-term care consultation services. If a county does not have a public health nurse available, it may request approval from the commissioner to assign a county registered nurse with at least one year experience in home care to participate on the team. The screening team members must confer regarding the most appropriate care for each individual screened. Two or more counties may collaborate to establish a joint local screening consultation team or teams.

(b) ~~In assessing a person's needs, screeners shall have a physician available for consultation and shall consider the assessment of the individual's attending physician, if any. The individual's physician shall be included if the physician chooses to participate. Other personnel may be included on the team as deemed appropriate by the county agencies. The team is responsible for providing long-term care consultation services to all persons located in the county who request the services, regardless of eligibility for Minnesota health care programs.~~

Sec. 7. Minnesota Statutes 2000, section 256B.0911, is amended by adding a subdivision to read:

Subd. 3a. [ASSESSMENT AND SUPPORT PLANNING.] (a) Persons requesting assessment, services planning, or other assistance intended to support community-based living must be visited by a long-term care consultation team within ten working days after the date on which an assessment was requested or recommended. Assessments must be conducted according to paragraphs (b) to (g).

(b) The county may utilize a team of either the social worker or public health nurse, or both, to conduct the assessment in a face-to-face interview. The consultation team members must confer regarding the most appropriate care for each individual screened or assessed.

(c) The long-term care consultation team must assess the health and social needs of the person, using an assessment form provided by the commissioner.

(d) The team must conduct the assessment in a face-to-face interview with the person being assessed and the person's legal representative, if applicable.

(e) The team must provide the person, or the person's legal representative, with written recommendations for facility- or community-based services. The team must document that the most cost-effective alternatives available were offered to the individual. For purposes of this requirement, "cost-effective alternatives" means community services and living arrangements that cost the same as or less than nursing facility care.

(f) If the person chooses to use community-based services, the team must provide the person or the person's legal representative with a written community support plan, regardless of whether the individual is eligible for Minnesota health care programs. The person may request assistance in developing a community support plan without participating in a complete assessment.

(g) The team must give the person receiving assessment or support planning, or the person's legal representative, materials supplied by the commissioner containing the following information:

(1) the purpose of preadmission screening and assessment;

(2) information about Minnesota health care programs;

(3) the person's freedom to accept or reject the recommendations of the team;

(4) the person's right to confidentiality under the Minnesota Government Data Practices Act, chapter 13; and

(5) the person's right to appeal the decision regarding the need for nursing facility level of care or the county's final decisions regarding public programs eligibility according to section 256.045, subdivision 3.

Sec. 8. Minnesota Statutes 2000, section 256B.0911, is amended by adding a subdivision to read:

Subd. 3b. [TRANSITION ASSISTANCE.] (a) A long-term care consultation team shall provide assistance to persons residing in a nursing facility, hospital, regional treatment center, or intermediate care facility for persons with mental retardation who request or are referred for assistance. Transition assistance must include assessment, community support plan development, referrals to Minnesota health care programs, and referrals to programs that provide assistance with housing.

(b) The county shall develop transition processes with institutional social workers and discharge planners to ensure that:

(1) persons admitted to facilities receive information about transition assistance that is available;

(2) the assessment is completed for persons within ten working days of the date of referral; and

(3) there is a plan for transition and follow-up for the individual's return to the community. The plan must require notification of other local agencies when a person who may require assistance is screened by one county for admission to a facility located in another county.

(c) If a person who is eligible for a Minnesota health care program is admitted to a nursing facility and has been determined to have discharge potential by a long-term care consultation team, the nursing facility must include a consultation team member or the case manager in the discharge planning process.

Sec. 9. Minnesota Statutes 2000, section 256B.0911, is amended by adding a subdivision to read:

Subd. 3c. [ACCESS DEMONSTRATIONS.] (a) The commissioner shall establish demonstration projects that are intended to target critical areas for improvement in long-term care consultation services, and to organize resources in a more efficient, effective, and preferred way. The demonstrations may include:

(1) development and implementation of strategies to increase the number of people who leave nursing facilities, hospitals, regional treatment centers, and intermediate care facilities for persons with mental retardation and return to community living, based on demonstration proposals that:

(i) focus on transitional planning between care settings;

(ii) engage a variety of providers and care settings;

(iii) include participants from both greater Minnesota and metro communities;

(iv) emphasize regional or other cooperative approaches; and

(v) identify potential obstacles to individuals returning to community settings and propose recommendations to address those obstacles and ways to improve the identification of people who need transitional assistance;

(2) improved access to and expansion of the availability of long-term care consultation services, and improved integration of these services with other local activities designed to support people in community living;

(3) identification of activities that increase public awareness of and information about the various forms of long-term care assistance available, and develop and implement replicable training efforts; and

(4) selection of sites based on outcome and other performance criteria outlined in an application process. Projects can be single-county or multicounty managed. Project budgets may include payments to increase the amount of and encourage innovation in the development of transitional services within demonstration sites. Payments for increased assessments, support plan development, and other activities, as approved in the budget proposal for selected project sites, shall be incorporated into the reimbursement for long-term care consultation services as described in subdivision 6. Projected transition assessments included as part of selected demonstration sites shall be calculated at the rate for county case management services.

(b) The commissioner of human services shall submit a report to the legislature describing demonstration models, implementation activities, and projected outcomes by February 15, 2002. A final report on the performance of the models and recommendations for strategies to address relocation or transitional assistance shall be completed by December 15, 2003.

Sec. 10. Minnesota Statutes 2000, section 256B.0911, is amended by adding a subdivision to read:

Subd. 4a. [PREADMISSION SCREENING ACTIVITIES RELATED TO NURSING FACILITY ADMISSIONS.] (a) All applicants to Medicaid certified nursing facilities, including certified boarding care facilities, must be screened prior to admission regardless of income, assets, or funding sources for nursing facility care, except as described in subdivision 4b. The purpose of the screening is to determine the need for nursing facility level of care as described in paragraph (d) and to complete activities required under federal law related to mental illness and mental retardation as outlined in paragraph (b).

(b) A person who has a diagnosis or possible diagnosis of mental illness, mental retardation, or a related condition must receive a preadmission screening before admission regardless of the exemptions outlined in subdivision 4b, paragraph (b), to identify the need for further evaluation and specialized services, unless the admission prior to screening is authorized by the local mental

health authority or the local developmental disabilities case manager, or unless authorized by the county agency according to Public Law Number 100-508.

The following criteria apply to the preadmission screening:

(1) the county must use forms and criteria developed by the commissioner to identify persons who require referral for further evaluation and determination of the need for specialized services; and

(2) the evaluation and determination of the need for specialized services must be done by:

(i) a qualified independent mental health professional, for persons with a primary or secondary diagnosis of a serious mental illness; or

(ii) a qualified mental retardation professional, for persons with a primary or secondary diagnosis of mental retardation or related conditions. For purposes of this requirement, a qualified mental retardation professional must meet the standards for a qualified mental retardation professional under Code of Federal Regulations, title 42, section 483.430.

(c) The local county mental health authority or the state mental retardation authority under Public Law Numbers 100-203 and 101-508 may prohibit admission to a nursing facility if the individual does not meet the nursing facility level of care criteria or needs specialized services as defined in Public Law Numbers 100-203 and 101-508. For purposes of this section, "specialized services" for a person with mental retardation or a related condition means active treatment as that term is defined under Code of Federal Regulations, title 42, section 483.440 (a)(1).

(d) The determination of the need for nursing facility level of care must be made according to criteria developed by the commissioner. In assessing a person's needs, consultation team members shall have a physician available for consultation and shall consider the assessment of the individual's attending physician, if any. The individual's physician must be included if the physician chooses to participate. Other personnel may be included on the team as deemed appropriate by the county.

Sec. 11. Minnesota Statutes 2000, section 256B.0911, is amended by adding a subdivision to read:

Subd. 4b. [EXEMPTIONS AND EMERGENCY ADMISSIONS.] (a) Exemptions from the federal screening requirements outlined in subdivision 4a, paragraphs (b) and (c), are limited to:

(1) a person who, having entered an acute care facility from a certified nursing facility, is returning to a certified nursing facility; and

(2) a person transferring from one certified nursing facility in Minnesota to another certified nursing facility in Minnesota.

(b) Persons who are exempt from preadmission screening for purposes of level of care determination include:

(1) persons described in paragraph (a);

(2) an individual who has a contractual right to have nursing facility care paid for indefinitely by the veterans' administration;

(3) an individual enrolled in a demonstration project under section 256B.69, subdivision 8, at the time of application to a nursing facility;

(4) an individual currently being served under the alternative care program or under a home and community-based services waiver authorized under section 1915(c) of the federal Social Security Act; and

(5) individuals admitted to a certified nursing facility for a short-term stay, which is expected to be 14 days or less in duration based upon a physician's certification, and who have been assessed

and approved for nursing facility admission within the previous six months. This exemption applies only if the consultation team member determines at the time of the initial assessment of the six-month period that it is appropriate to use the nursing facility for short-term stays and that there is an adequate plan of care for return to the home or community-based setting. If a stay exceeds 14 days, the individual must be referred no later than the first county working day following the 14th resident day for a screening, which must be completed within five working days of the referral. The payment limitations in subdivision 7 apply to an individual found at screening to not meet the level of care criteria for admission to a certified nursing facility.

(c) Persons admitted to a Medicaid-certified nursing facility from the community on an emergency basis as described in paragraph (d) or from an acute care facility on a nonworking day must be screened the first working day after admission.

(d) Emergency admission to a nursing facility prior to screening is permitted when all of the following conditions are met:

(1) a person is admitted from the community to a certified nursing or certified boarding care facility during county nonworking hours;

(2) a physician has determined that delaying admission until preadmission screening is completed would adversely affect the person's health and safety;

(3) there is a recent precipitating event that precludes the client from living safely in the community, such as sustaining an injury, sudden onset of acute illness, or a caregiver's inability to continue to provide care;

(4) the attending physician has authorized the emergency placement and has documented the reason that the emergency placement is recommended; and

(5) the county is contacted on the first working day following the emergency admission.

Transfer of a patient from an acute care hospital to a nursing facility is not considered an emergency except for a person who has received hospital services in the following situations: hospital admission for observation, care in an emergency room without hospital admission, or following hospital 24-hour bed care.

Sec. 12. Minnesota Statutes 2000, section 256B.0911, is amended by adding a subdivision to read:

Subd. 4c. [SCREENING REQUIREMENTS.] (a) A person may be screened for nursing facility admission by telephone or in a face-to-face screening interview. Consultation team members shall identify each individual's needs using the following categories:

(1) the person needs no face-to-face screening interview to determine the need for nursing facility level of care based on information obtained from other health care professionals;

(2) the person needs an immediate face-to-face screening interview to determine the need for nursing facility level of care and complete activities required under subdivision 4a; or

(3) the person may be exempt from screening requirements as outlined in subdivision 4b, but will need transitional assistance after admission or in-person follow-along after a return home.

(b) Persons admitted on a nonemergency basis to a Medicaid-certified nursing facility must be screened prior to admission.

(c) The long-term care consultation team shall recommend a case mix classification for persons admitted to a certified nursing facility when sufficient information is received to make that classification. The nursing facility is authorized to conduct all case mix assessments for persons who have been screened prior to admission for whom the county did not recommend a case mix classification. The nursing facility is authorized to conduct all case mix assessments for persons admitted to the facility prior to a preadmission screening. The county retains the responsibility of distributing appropriate case mix forms to the nursing facility.

(d) The county screening or intake activity must include processes to identify persons who may require transition assistance as described in subdivision 3b.

Sec. 13. Minnesota Statutes 2000, section 256B.0911, subdivision 5, is amended to read:

Subd. 5. [~~SIMPLIFICATION OF FORMS~~ ADMINISTRATIVE ACTIVITY.] The commissioner shall minimize the number of forms required in the preadmission screening process provision of long-term care consultation services and shall limit the screening document to items necessary for care community support plan approval, reimbursement, program planning, evaluation, and policy development.

Sec. 14. Minnesota Statutes 2000, section 256B.0911, subdivision 6, is amended to read:

Subd. 6. [~~PAYMENT FOR PREADMISSION SCREENING LONG-TERM CARE CONSULTATION SERVICES.~~] (a) The total screening payment for each county must be paid monthly by certified nursing facilities in the county. The monthly amount to be paid by each nursing facility for each fiscal year must be determined by dividing the county's annual allocation for screenings long-term care consultation services by 12 to determine the monthly payment and allocating the monthly payment to each nursing facility based on the number of licensed beds in the nursing facility. Payments to counties in which there is no certified nursing facility must be made by increasing the payment rate of the two facilities located nearest to the county agency.

(b) The commissioner shall include the total annual payment for screening determined under paragraph (a) for each nursing facility according to section 256B.431, subdivision 2b, paragraph (g), or 256B.435.

(c) Payments for screening activities long-term care consultation services are available to the county or counties to cover staff salaries and expenses to provide the screening function services described in subdivision 1a. The lead agency county shall employ, or contract with other agencies to employ, within the limits of available funding, sufficient personnel to conduct the preadmission screening activity provide long-term care consultation services while meeting the state's long-term care outcomes and objectives as defined in section 256B.0917, subdivision 1. The local agency county shall be accountable for meeting local objectives as approved by the commissioner in the CSSA biennial plan.

(d) Notwithstanding section 256B.0641, overpayments attributable to payment of the screening costs under the medical assistance program may not be recovered from a facility.

(e) The commissioner of human services shall amend the Minnesota medical assistance plan to include reimbursement for the local screening consultation teams.

(f) The county may bill, as case management services, assessments, support planning, and follow-along provided to persons determined to be eligible for case management under Minnesota health care programs. No individual or family member shall be charged for an initial assessment or initial support plan development provided under subdivision 3a or 3b.

Sec. 15. Minnesota Statutes 2000, section 256B.0911, subdivision 7, is amended to read:

Subd. 7. [~~REIMBURSEMENT FOR CERTIFIED NURSING FACILITIES.~~] (a) Medical assistance reimbursement for nursing facilities shall be authorized for a medical assistance recipient only if a preadmission screening has been conducted prior to admission or the local county agency has authorized an exemption. Medical assistance reimbursement for nursing facilities shall not be provided for any recipient who the local screener has determined does not meet the level of care criteria for nursing facility placement or, if indicated, has not had a level II PASARR OBRA evaluation as required under the federal Omnibus Budget Reconciliation Act of 1987 completed unless an admission for a recipient with mental illness is approved by the local mental health authority or an admission for a recipient with mental retardation or related condition is approved by the state mental retardation authority.

(b) The nursing facility must not bill a person who is not a medical assistance recipient for resident days that preceded the date of completion of screening activities as required under

subdivisions 4a, 4b, and 4c. The nursing facility must include unreimbursed resident days in the nursing facility resident day totals reported to the commissioner.

(c) The commissioner shall make a request to the health care financing administration for a waiver allowing ~~screening~~ team approval of Medicaid payments for certified nursing facility care. An individual has a choice and makes the final decision between nursing facility placement and community placement after the screening team's recommendation, except as provided in paragraphs (b) and (e) subdivision 4a, paragraph (d).

~~(e) The local county mental health authority or the state mental retardation authority under Public Law Numbers 100-203 and 101-508 may prohibit admission to a nursing facility, if the individual does not meet the nursing facility level of care criteria or needs specialized services as defined in Public Law Numbers 100-203 and 101-508. For purposes of this section, "specialized services" for a person with mental retardation or a related condition means "active treatment" as that term is defined in Code of Federal Regulations, title 42, section 483.440(a)(1).~~

~~(e) Appeals from the screening team's recommendation or the county agency's final decision shall be made according to section 256.045, subdivision 3.~~

Sec. 16. Minnesota Statutes 2000, section 256B.0913, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE AND GOALS.] The purpose of the alternative care program is to provide funding for ~~or access to~~ home and community-based services for frail elderly persons, in order to limit nursing facility placements. The program is designed to support frail elderly persons in their desire to remain in the community as independently and as long as possible and to support informal caregivers in their efforts to provide care for frail elderly people. Further, the goals of the program are:

(1) to contain medical assistance expenditures by providing funding care in the community at a cost the same or less than nursing facility costs; and

(2) to maintain the moratorium on new construction of nursing home beds.

Sec. 17. Minnesota Statutes 2000, section 256B.0913, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY FOR SERVICES.] Alternative care services are available to all frail older Minnesotans. This includes:

~~(1) persons who are receiving medical assistance and served under the medical assistance program or the Medicaid waiver program;~~

~~(2) persons age 65 or older who are not eligible for medical assistance without a spenddown or waiver obligation but who would be eligible for medical assistance within 180 days of admission to a nursing facility and served under subject to subdivisions 4 to 13; and~~

~~(3) persons who are paying for their services out-of-pocket.~~

Sec. 18. Minnesota Statutes 2000, section 256B.0913, subdivision 4, is amended to read:

Subd. 4. [ELIGIBILITY FOR FUNDING FOR SERVICES FOR NONMEDICAL ASSISTANCE RECIPIENTS.] (a) Funding for services under the alternative care program is available to persons who meet the following criteria:

~~(1) the person has been screened by the county screening team or, if previously screened and served under the alternative care program, assessed by the local county social worker or public health nurse determined by a community assessment under section 256B.0911, to be a person who would require the level of care provided in a nursing facility, but for the provision of services under the alternative care program;~~

~~(2) the person is age 65 or older;~~

~~(3) the person would be financially eligible for medical assistance within 180 days of admission to a nursing facility;~~

(4) ~~the person meets the asset transfer requirements of~~ is not ineligible for the medical assistance program due to an asset transfer penalty;

(5) ~~the screening team would recommend nursing facility admission or continued stay for the person if alternative care services were not available;~~

(6) ~~the person needs services that are not available at that time in the county~~ funded through other county, state, or federal funding sources; and

(7) ~~(6) the monthly cost of the alternative care services funded by the program for this person does not exceed 75 percent of the statewide average monthly medical assistance payment for nursing facility care at the individual's case mix classification weighted average monthly nursing facility rate of the case mix resident class to which the individual alternative care client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, less the recipient's maintenance needs allowance as described in section 256B.0915, subdivision 1d, paragraph (a), until the first day of the state fiscal year in which the resident assessment system, under section 256B.437, for nursing home rate determination is implemented. Effective on the first day of the state fiscal year in which a resident assessment system, under section 256B.437, for nursing home rate determination is implemented and the first day of each subsequent state fiscal year, the monthly cost of alternative care services for this person shall not exceed the alternative care monthly cap for the case mix resident class to which the alternative care client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, which was in effect on the last day of the previous state fiscal year, and adjusted by the greater of any legislatively adopted home and community-based services cost-of-living percentage increase or any legislatively adopted statewide percent rate increase for nursing facilities. This monthly limit does not prohibit the alternative care client from payment for additional services, but in no case may the cost of additional services purchased under this section exceed the difference between the client's monthly service limit defined under section 256B.0915, subdivision 3, and the alternative care program monthly service limit defined in this paragraph. If medical supplies and equipment or adaptations environmental modifications are or will be purchased for an alternative care services recipient, the costs may be prorated on a monthly basis throughout the year in which they are purchased for up to 12 consecutive months beginning with the month of purchase. If the monthly cost of a recipient's other alternative care services exceeds the monthly limit established in this paragraph, the annual cost of the alternative care services shall be determined. In this event, the annual cost of alternative care services shall not exceed 12 times the monthly limit calculated described in this paragraph.~~

~~(b) Individuals who meet the criteria in paragraph (a) and who have been approved for alternative care funding are called 180-day eligible clients.~~

~~(c) The statewide average payment for nursing facility care is the statewide average monthly nursing facility rate in effect on July 1 of the fiscal year in which the cost is incurred, less the statewide average monthly income of nursing facility residents who are age 65 or older and who are medical assistance recipients in the month of March of the previous fiscal year. This monthly limit does not prohibit the 180-day eligible client from paying for additional services needed or desired.~~

~~(d) In determining the total costs of alternative care services for one month, the costs of all services funded by the alternative care program, including supplies and equipment, must be included.~~

~~(e) Alternative care funding under this subdivision is not available for a person who is a medical assistance recipient or who would be eligible for medical assistance without a spenddown, unless authorized by the commissioner or waiver obligation. A person whose initial application for medical assistance is being processed may be served under the alternative care program for a period up to 60 days. If the individual is found to be eligible for medical assistance, the county must bill medical assistance must be billed for services payable under the federally approved elderly waiver plan and delivered from the date the individual was found eligible for services reimbursable under the federally approved elderly waiver program plan. Notwithstanding this provision, alternative care funds may not be used to pay for any service the cost of which is~~

payable by medical assistance or which is used by a recipient to meet a medical assistance income spenddown or waiver obligation.

~~(f)~~ (c) Alternative care funding is not available for a person who resides in a licensed nursing home or, certified boarding care home, hospital, or intermediate care facility, except for case management services which are being provided in support of the discharge planning process to a nursing home resident or certified boarding care home resident who is ineligible for case management funded by medical assistance.

Sec. 19. Minnesota Statutes 2000, section 256B.0913, subdivision 5, is amended to read:

Subd. 5. [SERVICES COVERED UNDER ALTERNATIVE CARE.] (a) Alternative care funding may be used for payment of costs of:

- (1) adult foster care;
- (2) adult day care;
- (3) home health aide;
- (4) homemaker services;
- (5) personal care;
- (6) case management;
- (7) respite care;
- (8) assisted living;
- (9) residential care services;
- (10) care-related supplies and equipment;
- (11) meals delivered to the home;
- (12) transportation;
- (13) skilled nursing;
- (14) chore services;
- (15) companion services;
- (16) nutrition services;
- (17) training for direct informal caregivers;
- (18) telemedicine devices to monitor recipients in their own homes as an alternative to hospital care, nursing home care, or home visits; ~~and~~
- (19) "other services" ~~including~~ includes discretionary funds and direct cash payments to clients, approved by the county agency following approval by the commissioner, subject to the provisions of paragraph ~~(m)~~ (j). Total annual payments for "other services" for all clients within a county may not exceed either ten percent of that county's annual alternative care program base allocation or \$5,000, whichever is greater. In no case shall this amount exceed the county's total annual alternative care program base allocation; ~~and~~

(20) environmental modifications.

(b) The county agency must ensure that the funds are not used ~~only to supplement and not to~~ supplant services available through other public assistance or services programs.

(c) Unless specified in statute, the service definitions and standards for alternative care services

shall be the same as the service definitions and standards defined specified in the federally approved elderly waiver plan. Except for the county agencies' approval of direct cash payments to clients as described in paragraph (j) or for a provider of supplies and equipment when the monthly cost of the supplies and equipment is less than \$250, persons or agencies must be employed by or under a contract with the county agency or the public health nursing agency of the local board of health in order to receive funding under the alternative care program. Supplies and equipment may be purchased from a vendor not certified to participate in the Medicaid program if the cost for the item is less than that of a Medicaid vendor.

(d) The adult foster care rate shall be considered a difficulty of care payment and shall not include room and board. The adult foster care daily rate shall be negotiated between the county agency and the foster care provider. The rate established under this section shall not exceed 75 percent of the state average monthly nursing home payment for the case mix classification to which the individual receiving foster care is assigned, and it must allow for other alternative care services to be authorized by the case manager. The alternative care payment for the foster care service in combination with the payment for other alternative care services, including case management, must not exceed the limit specified in subdivision 4, paragraph (a), clause (6).

(e) Personal care services may be provided by a personal care provider organization. must meet the service standards defined in the federally approved elderly waiver plan, except that a county agency may contract with a client's relative of the client who meets the relative hardship waiver requirement as defined in section 256B.0627, subdivision 4, paragraph (b), clause (10), to provide personal care services, but must ensure nursing if the county agency ensures supervision of this service by a registered nurse or mental health practitioner. Covered personal care services defined in section 256B.0627, subdivision 4, must meet applicable standards in Minnesota Rules, part 9505.0335.

(f) A county may use alternative care funds to purchase medical supplies and equipment without prior approval from the commissioner when: (1) there is no other funding source; (2) the supplies and equipment are specified in the individual's care plan as medically necessary to enable the individual to remain in the community according to the criteria in Minnesota Rules, part 9505.0210, item A; and (3) the supplies and equipment represent an effective and appropriate use of alternative care funds. A county may use alternative care funds to purchase supplies and equipment from a non-Medicaid certified vendor if the cost for the items is less than that of a Medicaid vendor. A county is not required to contract with a provider of supplies and equipment if the monthly cost of the supplies and equipment is less than \$250.

(g) For purposes of this section, residential care services are services which are provided to individuals living in residential care homes. Residential care homes are currently licensed as board and lodging establishments and are registered with the department of health as providing special services under section 157.17 and are not subject to registration under chapter 144D. Residential care services are defined as "supportive services" and "health-related services." "Supportive services" means the provision of up to 24-hour supervision and oversight. Supportive services includes: (1) transportation, when provided by the residential care center home only; (2) socialization, when socialization is part of the plan of care, has specific goals and outcomes established, and is not diversional or recreational in nature; (3) assisting clients in setting up meetings and appointments; (4) assisting clients in setting up medical and social services; (5) providing assistance with personal laundry, such as carrying the client's laundry to the laundry room. Assistance with personal laundry does not include any laundry, such as bed linen, that is included in the room and board rate. "Health-related services" are limited to minimal assistance with dressing, grooming, and bathing and providing reminders to residents to take medications that are self-administered or providing storage for medications, if requested. Individuals receiving residential care services cannot receive homemaking services funded under this section.

(h) (g) For the purposes of this section, "assisted living" refers to supportive services provided by a single vendor to clients who reside in the same apartment building of three or more units which are not subject to registration under chapter 144D and are licensed by the department of health as a class A home care provider or a class E home care provider. Assisted living services are defined as up to 24-hour supervision, and oversight, supportive services as defined in clause

(1), individualized home care aide tasks as defined in clause (2), and individualized home management tasks as defined in clause (3) provided to residents of a residential center living in their units or apartments with a full kitchen and bathroom. A full kitchen includes a stove, oven, refrigerator, food preparation counter space, and a kitchen utensil storage compartment. Assisted living services must be provided by the management of the residential center or by providers under contract with the management or with the county.

(1) Supportive services include:

(i) socialization, when socialization is part of the plan of care, has specific goals and outcomes established, and is not diversional or recreational in nature;

(ii) assisting clients in setting up meetings and appointments; and

(iii) providing transportation, when provided by the residential center only.

~~Individuals receiving assisted living services will not receive both assisted living services and homemaking services. Individualized means services are chosen and designed specifically for each resident's needs, rather than provided or offered to all residents regardless of their illnesses, disabilities, or physical conditions.~~

(2) Home care aide tasks means:

(i) preparing modified diets, such as diabetic or low sodium diets;

(ii) reminding residents to take regularly scheduled medications or to perform exercises;

(iii) household chores in the presence of technically sophisticated medical equipment or episodes of acute illness or infectious disease;

(iv) household chores when the resident's care requires the prevention of exposure to infectious disease or containment of infectious disease; and

(v) assisting with dressing, oral hygiene, hair care, grooming, and bathing, if the resident is ambulatory, and if the resident has no serious acute illness or infectious disease. Oral hygiene means care of teeth, gums, and oral prosthetic devices.

(3) Home management tasks means:

(i) housekeeping;

(ii) laundry;

(iii) preparation of regular snacks and meals; and

(iv) shopping.

~~Individuals receiving assisted living services shall not receive both assisted living services and homemaking services. Individualized means services are chosen and designed specifically for each resident's needs, rather than provided or offered to all residents regardless of their illnesses, disabilities, or physical conditions. Assisted living services as defined in this section shall not be authorized in boarding and lodging establishments licensed according to sections 157.011 and 157.15 to 157.22.~~

~~(h) For establishments registered under chapter 144D, assisted living services under this section means either the services described and licensed in paragraph (g) and delivered by a class E home care provider licensed by the department of health or the services described under section 144A.4605 and delivered by an assisted living home care provider or a class A home care provider licensed by the commissioner of health.~~

~~(j) For the purposes of this section, reimbursement (i) Payment for assisted living services and residential care services shall be a monthly rate negotiated and authorized by the county agency~~

based on an individualized service plan for each resident and may not cover direct rent or food costs. The rate

(1) The individualized monthly negotiated payment for assisted living services as described in paragraph (g) or (h), and residential care services as described in paragraph (f), shall not exceed the nonfederal share in effect on July 1 of the state fiscal year for which the rate limit is being calculated of the greater of either the statewide or any of the geographic groups' weighted average monthly medical-assistance nursing facility payment rate of the case mix resident class to which the 180-day alternative care eligible client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, unless the less the maintenance needs allowance as described in section 256B.0195, subdivision 1d, paragraph (a), until the first day of the state fiscal year in which a resident assessment system, under section 256B.437, of nursing home rate determination is implemented. Effective on the first day of the state fiscal year in which a resident assessment system, under section 256B.437, of nursing home rate determination is implemented and the first day of each subsequent state fiscal year, the individualized monthly negotiated payment for the services described in this clause shall not exceed the limit described in this clause which was in effect on the last day of the previous state fiscal year and which has been adjusted by the greater of any legislatively adopted home and community-based services cost-of-living percentage increase or any legislatively adopted statewide percent rate increase for nursing facilities.

(2) The individualized monthly negotiated payment for assisted living services are provided by a home care described under section 144A.4605 and delivered by a provider licensed by the department of health as a class A home care provider or an assisted living home care provider and are provided in a building that is registered as a housing with services establishment under chapter 144D and that provides 24-hour supervision in combination with the payment for other alternative care services, including case management, must not exceed the limit specified in subdivision 4, paragraph (a), clause (6).

~~(k) For purposes of this section, companion services are defined as nonmedical care, supervision and oversight, provided to a functionally impaired adult. Companions may assist the individual with such tasks as meal preparation, laundry and shopping, but do not perform these activities as discrete services. The provision of companion services does not entail hands-on medical care. Providers may also perform light housekeeping tasks which are incidental to the care and supervision of the recipient. This service must be approved by the case manager as part of the care plan. Companion services must be provided by individuals or organizations who are under contract with the local agency to provide the service. Any person related to the waiver recipient by blood, marriage or adoption cannot be reimbursed under this service. Persons providing companion services will be monitored by the case manager.~~

~~(l) For purposes of this section, training for direct informal caregivers is defined as a classroom or home course of instruction which may include: transfer and lifting skills, nutrition, personal and physical cares, home safety in a home environment, stress reduction and management, behavioral management, long-term care decision making, care coordination and family dynamics. The training is provided to an informal unpaid caregiver of a 180-day eligible client which enables the caregiver to deliver care in a home setting with high levels of quality. The training must be approved by the case manager as part of the individual care plan. Individuals, agencies, and educational facilities which provide caregiver training and education will be monitored by the case manager.~~

~~(m) (j) A county agency may make payment from their alternative care program allocation for "other services" provided to an alternative care program recipient if those services prevent, shorten, or delay institutionalization. These services may which include use of "discretionary funds" for services that are not otherwise defined in this section and direct cash payments to the recipient client for the purpose of purchasing the recipient's services. The following provisions apply to payments under this paragraph:~~

~~(1) a cash payment to a client under this provision cannot exceed 80 percent of the monthly payment limit for that client as specified in subdivision 4, paragraph (a), clause (7) (6);~~

~~(2) a county may not approve any cash payment for a client who meets either of the following:~~

(i) has been assessed as having a dependency in orientation, unless the client has an authorized representative under section 256.476, subdivision 2, paragraph (g), or for a client who. An "authorized representative" means an individual who is at least 18 years of age and is designated by the person or the person's legal representative to act on the person's behalf. This individual may be a family member, guardian, representative payee, or other individual designated by the person or the person's legal representative, if any, to assist in purchasing and arranging for supports; or

(ii) is concurrently receiving adult foster care, residential care, or assisted living services;

(3) any service approved under this section must be a service which meets the purpose and goals of the program as listed in subdivision 1;

(4) cash payments must also meet the criteria of and are governed by the procedures and liability protection established in section 256.476, subdivision 4, paragraphs (b) through (h), and recipients of cash grants must meet the requirements in section 256.476, subdivision 10; and cash payments to a person or a person's family will be provided through a monthly payment and be in the form of cash, voucher, or direct county payment to a vendor. Fees or premiums assessed to the person for eligibility for health and human services are not reimbursable through this service option. Services and goods purchased through cash payments must be identified in the person's individualized care plan and must meet all of the following criteria:

(i) they must be over and above the normal cost of caring for the person if the person did not have functional limitations;

(ii) they must be directly attributable to the person's functional limitations;

(iii) they must have the potential to be effective at meeting the goals of the program;

(iv) they must be consistent with the needs identified in the individualized service plan. The service plan shall specify the needs of the person and family, the form and amount of payment, the items and services to be reimbursed, and the arrangements for management of the individual grant; and

(v) the person, the person's family, or the legal representative shall be provided sufficient information to ensure an informed choice of alternatives. The local agency shall document this information in the person's care plan, including the type and level of expenditures to be reimbursed;

(4) the county, lead agency under contract, or tribal government under contract to administer the alternative care program shall not be liable for damages, injuries, or liabilities sustained through the purchase of direct supports or goods by the person, the person's family, or the authorized representative with funds received through the cash payments under this section. Liabilities include, but are not limited to, workers' compensation, the Federal Insurance Contributions Act (FICA), or the Federal Unemployment Tax Act (FUTA);

(5) persons receiving grants under this section shall have the following responsibilities:

(i) spend the grant money in a manner consistent with their individualized service plan with the local agency;

(ii) notify the local agency of any necessary changes in the grant-expenditures;

(iii) arrange and pay for supports; and

(iv) inform the local agency of areas where they have experienced difficulty securing or maintaining supports; and

(5) (6) the county shall report client outcomes, services, and costs under this paragraph in a manner prescribed by the commissioner.

(k) Upon implementation of direct cash payments to clients under this section, any person

determined eligible for the alternative care program who chooses a cash payment approved by the county agency shall receive the cash payment under this section and not under section 256.476 unless the person was receiving a consumer support grant under section 256.476 before implementation of direct cash payments under this section.

Sec. 20. Minnesota Statutes 2000, section 256B.0913, subdivision 6, is amended to read:

Subd. 6. [ALTERNATIVE CARE PROGRAM ADMINISTRATION.] The alternative care program is administered by the county agency. This agency is the lead agency responsible for the local administration of the alternative care program as described in this section. However, it may contract with the public health nursing service to be the lead agency. The commissioner may contract with federally recognized Indian tribes with a reservation in Minnesota to serve as the lead agency responsible for the local administration of the alternative care program as described in the contract.

Sec. 21. Minnesota Statutes 2000, section 256B.0913, subdivision 7, is amended to read:

Subd. 7. [CASE MANAGEMENT.] Providers of case management services for persons receiving services funded by the alternative care program must meet the qualification requirements and standards specified in section 256B.0915, subdivision 1b. The case manager must ensure the health and safety of the individual client and not approve alternative care funding for a client in any setting in which the case manager cannot reasonably ensure the client's health and safety. The case manager is responsible for the cost-effectiveness of the alternative care individual care plan and must not approve any care plan in which the cost of services funded by alternative care and client contributions exceeds the limit specified in section 256B.0915, subdivision 3, paragraph (b). The county may allow a case manager employed by the county to delegate certain aspects of the case management activity to another individual employed by the county provided there is oversight of the individual by the case manager. The case manager may not delegate those aspects which require professional judgment including assessments, reassessments, and care plan development.

Sec. 22. Minnesota Statutes 2000, section 256B.0913, subdivision 8, is amended to read:

Subd. 8. [REQUIREMENTS FOR INDIVIDUAL CARE PLAN.] (a) The case manager shall implement the plan of care for each ~~180-day-eligible~~ alternative care client and ensure that a client's service needs and eligibility are reassessed at least every 12 months. The plan shall include any services prescribed by the individual's attending physician as necessary to allow the individual to remain in a community setting. In developing the individual's care plan, the case manager should include the use of volunteers from families and neighbors, religious organizations, social clubs, and civic and service organizations to support the formal home care services. The county shall be held harmless for damages or injuries sustained through the use of volunteers under this subdivision including workers' compensation liability. ~~The lead agency shall provide documentation to the commissioner verifying that the individual's alternative care is not available at that time through any other public assistance or service program.~~ The lead agency shall provide documentation in each individual's plan of care and, if requested, to the commissioner that the most cost-effective alternatives available have been offered to the individual and that the individual was free to choose among available qualified providers, both public and private. The case manager must give the individual a ten-day written notice of any decrease in or termination of alternative care services.

(b) If the county administering alternative care services is different than the county of financial responsibility, the care plan may be implemented without the approval of the county of financial responsibility.

Sec. 23. Minnesota Statutes 2000, section 256B.0913, subdivision 9, is amended to read:

Subd. 9. [CONTRACTING PROVISIONS FOR PROVIDERS.] ~~The lead agency shall document to the commissioner that the agency made reasonable efforts to inform potential providers of the anticipated need for services under the alternative care program or waiver programs under sections 256B.0915 and 256B.49, including a minimum of 14 days' written~~

~~advance notice of the opportunity to be selected as a service provider and an annual public meeting with providers to explain and review the criteria for selection. The lead agency shall also document to the commissioner that the agency allowed potential providers an opportunity to be selected to contract with the county agency. Funds reimbursed to counties under this subdivision Alternative care funds paid to service providers are subject to audit by the commissioner for fiscal and utilization control.~~

The lead agency must select providers for contracts or agreements using the following criteria and other criteria established by the county:

- (1) the need for the particular services offered by the provider;
- (2) the population to be served, including the number of clients, the length of time services will be provided, and the medical condition of clients;
- (3) the geographic area to be served;
- (4) quality assurance methods, including appropriate licensure, certification, or standards, and supervision of employees when needed;
- (5) rates for each service and unit of service exclusive of county administrative costs;
- (6) evaluation of services previously delivered by the provider; and
- (7) contract or agreement conditions, including billing requirements, cancellation, and indemnification.

The county must evaluate its own agency services under the criteria established for other providers. ~~The county shall provide a written statement of the reasons for not selecting providers.~~

Sec. 24. Minnesota Statutes 2000, section 256B.0913, subdivision 10, is amended to read:

Subd. 10. [ALLOCATION FORMULA.] (a) ~~The alternative care appropriation for fiscal years 1992 and beyond shall cover only 180-day alternative care eligible clients. Prior to July 1 of each year, the commissioner shall allocate to county agencies the state funds available for alternative care for persons eligible under subdivision 2.~~

~~(b) Prior to July 1 of each year, the commissioner shall allocate to county agencies the state funds available for alternative care for persons eligible under subdivision 2. The allocation for fiscal year 1992 shall be calculated using a base that is adjusted to exclude the medical assistance share of alternative care expenditures. The adjusted base is calculated by multiplying each county's allocation for fiscal year 1991 by the percentage of county alternative care expenditures for 180-day eligible clients. The percentage is determined based on expenditures for services rendered in fiscal year 1989 or calendar year 1989, whichever is greater. The adjusted base for each county is the county's current fiscal year base allocation plus any targeted funds approved during the current fiscal year. Calculations for paragraphs (c) and (d) are to be made as follows: for each county, the determination of alternative care program expenditures shall be based on payments for services rendered from April 1 through March 31 in the base year, to the extent that claims have been submitted and paid by June 1 of that year.~~

~~(c) If the county alternative care program expenditures for 180-day eligible clients as defined in paragraph (b) are 95 percent or more of its the county's adjusted base allocation, the allocation for the next fiscal year is 100 percent of the adjusted base, plus inflation to the extent that inflation is included in the state budget.~~

~~(d) If the county alternative care program expenditures for 180-day eligible clients as defined in paragraph (b) are less than 95 percent of its the county's adjusted base allocation, the allocation for the next fiscal year is the adjusted base allocation less the amount of unspent funds below the 95 percent level.~~

~~(e) For fiscal year 1992 only, a county may receive an increased allocation if annualized service~~

~~costs for the month of May 1991 for 180-day eligible clients are greater than the allocation otherwise determined. A county may apply for this increase by reporting projected expenditures for May to the commissioner by June 1, 1991. The amount of the allocation may exceed the amount calculated in paragraph (b). The projected expenditures for May must be based on actual 180-day eligible client caseload and the individual cost of clients' care plans. If a county does not report its expenditures for May, the amount in paragraph (c) or (d) shall be used.~~

~~(f) Calculations for paragraphs (c) and (d) are to be made as follows: for each county, the determination of expenditures shall be based on payments for services rendered from April 1 through March 31 in the base year, to the extent that claims have been submitted by June 1 of that year. Calculations for paragraphs (c) and (d) must also include the funds transferred to the consumer support grant program for clients who have transferred to that program from April 1 through March 31 in the base year.~~

~~(g) For the biennium ending June 30, 2001, the allocation of state funds to county agencies shall be calculated as described in paragraphs (c) and (d). If the annual legislative appropriation for the alternative care program is inadequate to fund the combined county allocations for fiscal year 2000 or 2001 a biennium, the commissioner shall distribute to each county the entire annual appropriation as that county's percentage of the computed base as calculated in paragraph (f) paragraphs (c) and (d).~~

Sec. 25. Minnesota Statutes 2000, section 256B.0913, subdivision 11, is amended to read:

Subd. 11. [TARGETED FUNDING.] (a) The purpose of targeted funding is to make additional money available to counties with the greatest need. Targeted funds are not intended to be distributed equitably among all counties, but rather, allocated to those with long-term care strategies that meet state goals.

(b) The funds available for targeted funding shall be the total appropriation for each fiscal year minus county allocations determined under subdivision 10 as adjusted for any inflation increases provided in appropriations for the biennium.

(c) The commissioner shall allocate targeted funds to counties that demonstrate to the satisfaction of the commissioner that they have developed feasible plans to increase alternative care spending. In making targeted funding allocations, the commissioner shall use the following priorities:

(1) counties that received a lower allocation in fiscal year 1991 than in fiscal year 1990. Counties remain in this priority until they have been restored to their fiscal year 1990 level plus inflation;

(2) counties that sustain a base allocation reduction for failure to spend 95 percent of the allocation if they demonstrate that the base reduction should be restored;

(3) counties that propose projects to divert community residents from nursing home placement or convert nursing home residents to community living; and

(4) counties that can otherwise justify program growth by demonstrating the existence of waiting lists, demographically justified needs, or other unmet needs.

(d) Counties that would receive targeted funds according to paragraph (c) must demonstrate to the commissioner's satisfaction that the funds would be appropriately spent by showing how the funds would be used to further the state's alternative care goals as described in subdivision 1, and that the county has the administrative and service delivery capability to use them.

(e) The commissioner shall request applications by June 1 each year, for county agencies to apply for targeted funds by November 1 of each year. The counties selected for targeted funds shall be notified of the amount of their additional funding by August 1 of each year. Targeted funds allocated to a county agency in one year shall be treated as part of the county's base allocation for that year in determining allocations for subsequent years. No reallocations between counties shall be made.

~~(f) The allocation for each year after fiscal year 1992 shall be determined using the previous fiscal year's allocation, including any targeted funds, as the base and then applying the criteria under subdivision 10, paragraphs (c), (d), and (f), to the current year's expenditures.~~

Sec. 26. Minnesota Statutes 2000, section 256B.0913, subdivision 12, is amended to read:

Subd. 12. [CLIENT PREMIUMS.] (a) A premium is required for all ~~180-day~~ alternative care eligible clients to help pay for the cost of participating in the program. The amount of the premium for the alternative care client shall be determined as follows:

(1) when the alternative care client's income less recurring and predictable medical expenses is greater than the ~~medical assistance income standard recipient's~~ maintenance needs allowance as defined in section 256B.0915, subdivision 1d, paragraph (a), but less than 150 percent of the federal poverty guideline effective on July 1 of the state fiscal year in which the premium is being computed, and total assets are less than \$10,000, the fee is zero;

(2) when the alternative care client's income less recurring and predictable medical expenses is greater than 150 percent of the federal poverty guideline effective on July 1 of the state fiscal year in which the premium is being computed, and total assets are less than \$10,000, the fee is 25 percent of the cost of alternative care services or the difference between 150 percent of the federal poverty guideline effective on July 1 of the state fiscal year in which the premium is being computed and the client's income less recurring and predictable medical expenses, whichever is less; and

(3) when the alternative care client's total assets are greater than \$10,000, the fee is 25 percent of the cost of alternative care services.

For married persons, total assets are defined as the total marital assets less the estimated community spouse asset allowance, under section 256B.059, if applicable. For married persons, total income is defined as the client's income less the monthly spousal allotment, under section 256B.058.

All alternative care services except case management shall be included in the estimated costs for the purpose of determining 25 percent of the costs.

The monthly premium shall be calculated based on the cost of the first full month of alternative care services and shall continue unaltered until the next reassessment is completed or at the end of 12 months, whichever comes first. Premiums are due and payable each month alternative care services are received unless the actual cost of the services is less than the premium.

(b) The fee shall be waived by the commissioner when:

(1) a person who is residing in a nursing facility is receiving case management only;

(2) a person is applying for medical assistance;

(3) a married couple is requesting an asset assessment under the spousal impoverishment provisions;

~~(4) a person is a medical assistance recipient, but has been approved for alternative care-funded assisted living services;~~

~~(5) a person is found eligible for alternative care, but is not yet receiving alternative care services; or~~

~~(6) (5) a person's fee under paragraph (a) is less than \$25.~~

(c) The county agency must collect the premium from the client and forward the amounts collected to the commissioner in the manner and at the times prescribed by the commissioner. Money collected must be deposited in the general fund and is appropriated to the commissioner for the alternative care program. The client must supply the county with the client's social security number at the time of application. If a client fails or refuses to pay the premium due, the county

shall supply the commissioner with the client's social security number and other information the commissioner requires to collect the premium from the client. The commissioner shall collect unpaid premiums using the Revenue Recapture Act in chapter 270A and other methods available to the commissioner. The commissioner may require counties to inform clients of the collection procedures that may be used by the state if a premium is not paid.

(d) The commissioner shall begin to adopt emergency or permanent rules governing client premiums within 30 days after July 1, 1991, including criteria for determining when services to a client must be terminated due to failure to pay a premium.

Sec. 27. Minnesota Statutes 2000, section 256B.0913, subdivision 13, is amended to read:

Subd. 13. [~~COUNTY BIENNIAL PLAN.~~] The county biennial plan for the ~~preadmission screening program~~ long-term care consultation services under section 256B.0911, the alternative care program under this section, and waivers for the elderly under section 256B.0915, and waivers for the disabled under section 256B.49, shall be incorporated into the biennial Community Social Services Act plan and shall meet the regulations and timelines of that plan. ~~This county biennial plan shall include:~~

- ~~(1) information on the administration of the preadmission screening program;~~
- ~~(2) information on the administration of the home and community-based services waivers for the elderly under section 256B.0915, and for the disabled under section 256B.49; and~~
- ~~(3) information on the administration of the alternative care program.~~

Sec. 28. Minnesota Statutes 2000, section 256B.0913, subdivision 14, is amended to read:

Subd. 14. [~~REIMBURSEMENT PAYMENT AND RATE ADJUSTMENTS.~~] (a) Reimbursement Payment for expenditures for the provided alternative care services as approved by the client's case manager shall be through the invoice processing procedures of the department's Medicaid Management Information System (MMIS). To receive reimbursement payment, the county or vendor must submit invoices within 12 months following the date of service. The county agency and its vendors under contract shall not be reimbursed for services which exceed the county allocation.

(b) If a county collects less than 50 percent of the client premiums due under subdivision 12, the commissioner may withhold up to three percent of the county's final alternative care program allocation determined under subdivisions 10 and 11.

(c) The county shall negotiate individual rates with vendors and may ~~be reimbursed~~ authorize service payment for actual costs up to the greater of the county's current approved rate or 60 percent of the maximum rate in fiscal year 1994 and 65 percent of the maximum rate in fiscal year 1995 for each alternative care service. Notwithstanding any other rule or statutory provision to the contrary, the commissioner shall not be authorized to increase rates by an annual inflation factor, unless so authorized by the legislature.

(d) ~~On July 1, 1993, the commissioner shall increase the maximum rate for home delivered meals to \$4.50 per meal. To improve access to community services and eliminate payment disparities between the alternative care program and the elderly waiver program, the commissioner shall establish statewide maximum service rate limits and eliminate county-specific service rate limits.~~

(1) Effective July 1, 2001, for service rate limits, except those in subdivision 5, paragraphs (d) and (j), the rate limit for each service shall be the greater of the alternative care statewide maximum rate or the elderly waiver statewide maximum rate.

(2) Counties may negotiate individual service rates with vendors for actual costs up to the statewide maximum service rate limit.

Sec. 29. Minnesota Statutes 2000, section 256B.0915, subdivision 1d, is amended to read:

Subd. 1d. [POSTELIGIBILITY TREATMENT OF INCOME AND RESOURCES FOR ELDERLY WAIVER.] (a) Notwithstanding the provisions of section 256B.056, the commissioner shall make the following amendment to the medical assistance elderly waiver program effective July 1, 1999, or upon federal approval, whichever is later.

A recipient's maintenance needs will be an amount equal to the Minnesota supplemental aid equivalent rate as defined in section 256I.03, subdivision 5, plus the medical assistance personal needs allowance as defined in section 256B.35, subdivision 1, paragraph (a), when applying posteligibility treatment of income rules to the gross income of elderly waiver recipients, except for individuals whose income is in excess of the special income standard according to Code of Federal Regulations, title 42, section 435.236. Recipient maintenance needs shall be adjusted under this provision each July 1.

~~(b) The commissioner of human services shall secure approval of additional elderly waiver slots sufficient to serve persons who will qualify under the revised income standard described in paragraph (a) before implementing section 256B.0913, subdivision 16.~~

~~(c) In implementing this subdivision, the commissioner shall consider allowing persons who would otherwise be eligible for the alternative care program but would qualify for the elderly waiver with a spenddown to remain on the alternative care program.~~

Sec. 30. Minnesota Statutes 2000, section 256B.0915, subdivision 3, is amended to read:

Subd. 3. [LIMITS OF CASES, RATES, REIMBURSEMENT PAYMENTS, AND FORECASTING.] (a) The number of medical assistance waiver recipients that a county may serve must be allocated according to the number of medical assistance waiver cases open on July 1 of each fiscal year. Additional recipients may be served with the approval of the commissioner.

(b) ~~The monthly limit for the cost of waived services to an individual elderly waiver client shall be the statewide average payment weighted average monthly nursing facility rate of the case mix resident class to which the elderly waiver client would be assigned under the medical assistance case mix reimbursement system. Minnesota Rules, parts 9549.0050 to 9549.0059, less the recipient's maintenance needs allowance as described in subdivision 1d, paragraph (a), until the first day of the state fiscal year in which the resident assessment system as described in section 256B.437 for nursing home rate determination is implemented. Effective on the first day of the state fiscal year in which the resident assessment system as described in section 256B.437 for nursing home rate determination is implemented and the first day of each subsequent state fiscal year, the monthly limit for the cost of waived services to an individual elderly waiver client shall be the rate of the case mix resident class to which the waiver client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, in effect on the last day of the previous state fiscal year, adjusted by the greater of any legislatively adopted home and community-based services cost-of-living percentage increase or any legislatively adopted statewide percent rate increase for nursing facilities.~~

~~(c) If extended medical supplies and equipment or adaptations environmental modifications are or will be purchased for an elderly waiver services recipient, these client, the costs may be prorated on a monthly basis throughout the year in which they are purchased for up to 12 consecutive months beginning with the month of purchase. If the monthly cost of a recipient's other waived services exceeds the monthly limit established in this paragraph (b), the annual cost of the all waived services shall be determined. In this event, the annual cost of all waived services shall not exceed 12 times the monthly limit calculated in this paragraph. The statewide average payment rate is calculated by determining the statewide average monthly nursing home rate, effective July 1 of the fiscal year in which the cost is incurred, less the statewide average monthly income of nursing home residents who are age 65 or older, and who are medical assistance recipients in the month of March of the previous state fiscal year. The annual cost divided by 12 of elderly or disabled waived services of waived services as described in paragraph (b).~~

~~(d) For a person who is a nursing facility resident at the time of requesting a determination of eligibility for elderly or disabled waived services shall be the greater of the monthly payment~~

~~for: (i), a monthly conversion limit for the cost of elderly waived services may be requested. The monthly conversion limit for the cost of elderly waiver services shall be the resident class assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, for that resident in the nursing facility where the resident currently resides; or (ii) the statewide average payment of the case mix resident class to which the resident would be assigned under the medical assistance case mix reimbursement system, provided that until July 1 of the state fiscal year in which the resident assessment system as described in section 256B.437 for nursing home rate determination is implemented. Effective on July 1 of the state fiscal year in which the resident assessment system as described in section 256B.437 for nursing home rate determination is implemented, the monthly conversion limit for the cost of elderly waiver services shall be the per diem nursing facility rate as determined by the resident assessment system as described in section 256B.437 for that resident in the nursing facility where the resident currently resides multiplied by 365 and divided by 12, less the recipient's maintenance needs allowance as described in subdivision 1d, paragraph (a). The limit under this clause only applies to persons discharged from a nursing facility after a minimum 30-day stay and found eligible for waived services on or after July 1, 1997. The following costs must be included in determining the total monthly costs for the waiver client:~~

~~(1) cost of all waived services, including extended medical supplies and equipment and environmental modifications; and~~

~~(2) cost of skilled nursing, home health aide, and personal care services reimbursable by medical assistance.~~

~~(e) (e) Medical assistance funding for skilled nursing services, private duty nursing, home health aide, and personal care services for waiver recipients must be approved by the case manager and included in the individual care plan.~~

~~(d) For both the elderly waiver and the nursing facility disabled waiver, a county may purchase extended supplies and equipment without prior approval from the commissioner when there is no other funding source and the supplies and equipment are specified in the individual's care plan as medically necessary to enable the individual to remain in the community according to the criteria in Minnesota Rules, part 9505.0210, items A and B. (f) A county is not required to contract with a provider of supplies and equipment if the monthly cost of the supplies and equipment is less than \$250.~~

~~(e) (g) The adult foster care daily rate for the elderly and disabled waivers shall be considered a difficulty of care payment and shall not include room and board. The adult foster care service rate shall be negotiated between the county agency and the foster care provider. The rate established under this section shall not exceed the state average monthly nursing home payment for the case mix classification to which the individual receiving foster care is assigned; the rate must allow for other waiver and medical assistance home care services to be authorized by the case manager. The elderly waiver payment for the foster care service in combination with the payment for all other elderly waiver services, including case management, must not exceed the limit specified in paragraph (b).~~

~~(f) The assisted living and residential care service rates for elderly and community alternatives for disabled individuals (CADI) waivers shall be made to the vendor as a monthly rate negotiated with the county agency based on an individualized service plan for each resident. The rate shall not exceed the nonfederal share of the greater of either the statewide or any of the geographic groups' weighted average monthly medical assistance nursing facility payment rate of the case mix resident class to which the elderly or disabled client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, unless the services are provided by a home care provider licensed by the department of health and are provided in a building that is registered as a housing with services establishment under chapter 144D and that provides 24-hour supervision. For alternative care assisted living projects established under Laws 1988, chapter 689, article 2, section 256, monthly rates may not exceed 65 percent of the greater of either the statewide or any of the geographic groups' weighted average monthly medical assistance nursing facility payment rate for the case mix resident class to which the elderly or disabled client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059. The rate may not cover direct rent or food costs.~~

(h) Payment for assisted living service shall be a monthly rate negotiated and authorized by the county agency based on an individualized service plan for each resident and may not cover direct rent or food costs.

(1) The individualized monthly negotiated payment for assisted living services as described in section 256B.0913, subdivision 5, paragraph (g) or (h), and residential care services as described in section 256B.0913, subdivision 5, paragraph (f), shall not exceed the nonfederal share, in effect on July 1 of the state fiscal year for which the rate limit is being calculated, of the greater of either the statewide or any of the geographic groups' weighted average monthly nursing facility rate of the case mix resident class to which the elderly waiver eligible client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, less the maintenance needs allowance as described in subdivision 1d, paragraph (a), until the July 1 of the state fiscal year in which the resident assessment system as described in section 256B.437 for nursing home rate determination is implemented. Effective on July 1 of the state fiscal year in which the resident assessment system as described in section 256B.437 for nursing home rate determination is implemented and July 1 of each subsequent state fiscal year, the individualized monthly negotiated payment for the services described in this clause shall not exceed the limit described in this clause which was in effect on June 30 of the previous state fiscal year and which has been adjusted by the greater of any legislatively adopted home and community-based services cost-of-living percentage increase or any legislatively adopted statewide percent rate increase for nursing facilities.

(2) The individualized monthly negotiated payment for assisted living services described in section 144A.4605 and delivered by a provider licensed by the department of health as a Class A home care provider or an assisted living home care provider and provided in a building that is registered as a housing with services establishment under chapter 144D and that provides 24-hour supervision in combination with the payment for other elderly waiver services, including case management, must not exceed the limit specified in paragraph (b).

~~(g) (i) The county shall negotiate individual service rates with vendors and may be reimbursed authorize payment for actual costs up to the greater of the county's current approved rate or 60 percent of the maximum rate in fiscal year 1994 and 65 percent of the maximum rate in fiscal year 1995 for each service within each program. Persons or agencies must be employed by or under a contract with the county agency or the public health nursing agency of the local board of health in order to receive funding under the elderly waiver program, except as a provider of supplies and equipment when the monthly cost of the supplies and equipment is less than \$250.~~

~~(h) On July 1, 1993, the commissioner shall increase the maximum rate for home-delivered meals to \$4.50 per meal.~~

~~(j) (j) Reimbursement for the medical assistance recipients under the approved waiver shall be made from the medical assistance account through the invoice processing procedures of the department's Medicaid Management Information System (MMIS), only with the approval of the client's case manager. The budget for the state share of the Medicaid expenditures shall be forecasted with the medical assistance budget, and shall be consistent with the approved waiver.~~

(k) To improve access to community services and eliminate payment disparities between the alternative care program and the elderly waiver, the commissioner shall establish statewide maximum service rate limits and eliminate county-specific service rate limits.

(1) Effective July 1, 2001, for service rate limits, except those described or defined in paragraphs (g) and (h), the rate limit for each service shall be the greater of the alternative care statewide maximum rate or the elderly waiver statewide maximum rate.

(2) Counties may negotiate individual service rates with vendors for actual costs up to the statewide maximum service rate limit.

~~(l) (l) Beginning July 1, 1991, the state shall reimburse counties according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision on or after January 1, 1991, for individuals who are receiving medical assistance.~~

~~(k) For the community alternatives for disabled individuals waiver, and nursing facility disabled waivers, county may use waiver funds for the cost of minor adaptations to a client's residence or vehicle without prior approval from the commissioner if there is no other source of funding and the adaptation:~~

- ~~(1) is necessary to avoid institutionalization;~~
- ~~(2) has no utility apart from the needs of the client; and~~
- ~~(3) meets the criteria in Minnesota Rules, part 9505.0210, items A and B.~~

~~For purposes of this subdivision, "residence" means the client's own home, the client's family residence, or a family foster home. For purposes of this subdivision, "vehicle" means the client's vehicle, the client's family vehicle, or the client's family foster home vehicle.~~

~~(l) The commissioner shall establish a maximum rate unit for baths provided by an adult day care provider that are not included in the provider's contractual daily or hourly rate. This maximum rate must equal the home health aide extended rate and shall be paid for baths provided to clients served under the elderly and disabled waivers.~~

Sec. 31. Minnesota Statutes 2000, section 256B.0915, subdivision 5, is amended to read:

Subd. 5. [REASSESSMENTS FOR WAIVER CLIENTS.] A reassessment of a client served under the elderly or disabled waiver must be conducted at least every 12 months and at other times when the case manager determines that there has been significant change in the client's functioning. This may include instances where the client is discharged from the hospital.

Sec. 32. Minnesota Statutes 2000, section 256B.0917, is amended by adding a subdivision to read:

Subd. 13. [COMMUNITY SERVICE GRANTS.] The commissioner shall award contracts for grants to public and private nonprofit agencies to establish services that strengthen a community's ability to provide a system of home and community-based services for elderly persons. The commissioner shall use a request for proposal process. Communities that have a planned closure of a nursing facility approved under section 256B.437 shall be given preference for grants. The commissioner shall consider grants for:

- (1) caregiver support and respite care projects under subdivision 6;
- (2) on-site coordination under section 256.9731;
- (3) the living-at-home/block nurse grant under subdivisions 7 to 10; and
- (4) services identified as needed for community transition.

Sec. 33. [COORDINATED SERVICE ACCESS STUDY.]

By February 15, 2002, the commissioner of human services shall submit to the legislature recommendations for creating coordinated service access at the county agency level for both publicly subsidized and nonsubsidized long-term care services and housing options. The report must:

- (1) include a plan to coordinate public funding streams to allow low-income, privately paying consumers to purchase services through a sliding fee scale; and
- (2) evaluate the feasibility of statewide implementation, based upon an evaluation of public cost, consumer preferences and satisfaction, and other relevant factors.

Sec. 34. [RESPITE CARE.]

The Minnesota board on aging shall present recommendations to the legislature by February 1, 2002, on the provision of in-home and out-of-home respite care services on a sliding scale basis under the federal Older Americans Act.

Sec. 35. [APPROPRIATION.]

\$..... is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 2003, for the purposes of this article.

Sec. 36. [REPEALER.]

(a) Minnesota Statutes 2000, sections 256B.0911, subdivisions 2, 2a, 4, 8, and 9; 256B.0913, subdivisions 3, 15a, 15b, 15c, and 16; 256B.0915, subdivisions 3a, 3b, and 3c; and 256B.436, subdivisions 3, 5, 6, and 8, are repealed.

(b) Minnesota Rules, parts 9505.2390; 9505.2395; 9505.2396; 9505.2400; 9505.2405; 9505.2410; 9505.2413; 9505.2415; 9505.2420; 9505.2425; 9505.2426; 9505.2430; 9505.2435; 9505.2440; 9505.2445; 9505.2450; 9505.2455; 9505.2458; 9505.2460; 9505.2465; 9505.2470; 9505.2473; 9505.2475; 9505.2480; 9505.2485; 9505.2486; 9505.2490; 9505.2495; 9505.2496; and 9505.2500, are repealed.

ARTICLE 2

LONG-TERM CARE SYSTEM REFORM AND REIMBURSEMENT

Section 1. Minnesota Statutes 2000, section 144A.071, subdivision 1, is amended to read:

Subdivision 1. [FINDINGS.] The legislature declares that a moratorium on the licensure and medical assistance certification of new nursing home beds and construction projects that exceed ~~\$750,000~~ \$1,000,000 is necessary to control nursing home expenditure growth and enable the state to meet the needs of its elderly by providing high quality services in the most appropriate manner along a continuum of care.

Sec. 2. Minnesota Statutes 2000, section 144A.071, subdivision 1a, is amended to read:

Subd. 1a. [DEFINITIONS.] For purposes of sections 144A.071 to 144A.073, the following terms have the meanings given them:

(a) "attached fixtures" has the meaning given in Minnesota Rules, part 9549.0020, subpart 6.

(b) "buildings" has the meaning given in Minnesota Rules, part 9549.0020, subpart 7.

(c) "capital assets" has the meaning given in section 256B.421, subdivision 16.

(d) "commenced construction" means that all of the following conditions were met: the final working drawings and specifications were approved by the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; and all zoning and building permits were applied for.

(e) "completion date" means the date on which a certificate of occupancy is issued for a construction project, or if a certificate of occupancy is not required, the date on which the construction project is available for facility use.

(f) "construction" means any erection, building, alteration, reconstruction, modernization, or improvement necessary to comply with the nursing home licensure rules.

(g) "construction project" means:

(1) a capital asset addition to, or replacement of a nursing home or certified boarding care home that results in new space or the remodeling of or renovations to existing facility space;

(2) the remodeling or renovation of existing facility space the use of which is modified as a result of the project described in clause (1). This existing space and the project described in clause (1) must be used for the functions as designated on the construction plans on completion of the project described in clause (1) for a period of not less than 24 months; or

(3) capital asset additions or replacements that are completed within 12 months before or after the completion date of the project described in clause (1).

(h) "new licensed" or "new certified beds" means:

(1) newly constructed beds in a facility or the construction of a new facility that would increase the total number of licensed nursing home beds or certified boarding care or nursing home beds in the state; or

(2) newly licensed nursing home beds or newly certified boarding care or nursing home beds that result from remodeling of the facility that involves relocation of beds but does not result in an increase in the total number of beds, except when the project involves the upgrade of boarding care beds to nursing home beds, as defined in section 144A.073, subdivision 1. "Remodeling" includes any of the type of conversion, renovation, replacement, or upgrading projects as defined in section 144A.073, subdivision 1.

(i) "project construction costs" means the cost of the facility capital asset additions, replacements, renovations, or remodeling projects, construction site preparation costs, and related soft costs. Project construction costs also include the cost of any remodeling or renovation of existing facility space which is modified as a result of the construction project. Project construction costs also includes the cost of new technology implemented as part of the construction project.

(j) "technology" means information systems or devices that make documentation, charting, and staff time more efficient or encourage and allow for care through alternative settings including, but not limited to, touch screens, monitors, hand-helds, swipe cards, motion detectors, pagers, telemedicine, medication dispensers, and equipment to monitor vital signs and self-injections, and to observe skin and other conditions.

Sec. 3. Minnesota Statutes 2000, section 144A.071, subdivision 2, is amended to read:

Subd. 2. [MORATORIUM.] The commissioner of health, in coordination with the commissioner of human services, shall deny each request for new licensed or certified nursing home or certified boarding care beds except as provided in subdivision 3 or 4a, or section 144A.073. "Certified bed" means a nursing home bed or a boarding care bed certified by the commissioner of health for the purposes of the medical assistance program, under United States Code, title 42, sections 1396 et seq.

The commissioner of human services, in coordination with the commissioner of health, shall deny any request to issue a license under section 252.28 and chapter 245A to a nursing home or boarding care home, if that license would result in an increase in the medical assistance reimbursement amount.

In addition, the commissioner of health must not approve any construction project whose cost exceeds ~~\$750,000~~ \$1,000,000, unless:

(a) any construction costs exceeding ~~\$750,000~~ \$1,000,000 are not added to the facility's appraised value and are not included in the facility's payment rate for reimbursement under the medical assistance program; or

(b) the project:

(1) has been approved through the process described in section 144A.073;

(2) meets an exception in subdivision 3 or 4a;

(3) is necessary to correct violations of state or federal law issued by the commissioner of health;

(4) is necessary to repair or replace a portion of the facility that was damaged by fire, lightning, groundshifts, or other such hazards, including environmental hazards, provided that the provisions of subdivision 4a, clause (a), are met;

(5) as of May 1, 1992, the facility has submitted to the commissioner of health written documentation evidencing that the facility meets the "commenced construction" definition as specified in subdivision 1a, clause (d), or that substantial steps have been taken prior to April 1, 1992, relating to the construction project. "Substantial steps" require that the facility has made arrangements with outside parties relating to the construction project and include the hiring of an architect or construction firm, submission of preliminary plans to the department of health or documentation from a financial institution that financing arrangements for the construction project have been made; or

(6) is being proposed by a licensed nursing facility that is not certified to participate in the medical assistance program and will not result in new licensed or certified beds.

Prior to the final plan approval of any construction project, the commissioner of health shall be provided with an itemized cost estimate for the project construction costs. If a construction project is anticipated to be completed in phases, the total estimated cost of all phases of the project shall be submitted to the commissioner and shall be considered as one construction project. Once the construction project is completed and prior to the final clearance by the commissioner, the total project construction costs for the construction project shall be submitted to the commissioner. If the final project construction cost exceeds the dollar threshold in this subdivision, the commissioner of human services shall not recognize any of the project construction costs or the related financing costs in excess of this threshold in establishing the facility's property-related payment rate.

The dollar thresholds for construction projects are as follows: for construction projects other than those authorized in clauses (1) to (6), the dollar threshold is ~~\$750,000~~ \$1,000,000. For projects authorized after July 1, 1993, under clause (1), the dollar threshold is the cost estimate submitted with a proposal for an exception under section 144A.073, plus inflation as calculated according to section 256B.431, subdivision 3f, paragraph (a). For projects authorized under clauses (2) to (4), the dollar threshold is the itemized estimate project construction costs submitted to the commissioner of health at the time of final plan approval, plus inflation as calculated according to section 256B.431, subdivision 3f, paragraph (a).

The commissioner of health shall adopt rules to implement this section or to amend the emergency rules for granting exceptions to the moratorium on nursing homes under section 144A.073.

Sec. 4. Minnesota Statutes 2000, section 144A.071, subdivision 4a, is amended to read:

Subd. 4a. [EXCEPTIONS FOR REPLACEMENT BEDS.] It is in the best interest of the state to ensure that nursing homes and boarding care homes continue to meet the physical plant licensing and certification requirements by permitting certain construction projects. Facilities should be maintained in condition to satisfy the physical and emotional needs of residents while allowing the state to maintain control over nursing home expenditure growth.

The commissioner of health in coordination with the commissioner of human services, may approve the renovation, replacement, upgrading, or relocation of a nursing home or boarding care home, under the following conditions:

(a) to license or certify beds in a new facility constructed to replace a facility or to make repairs in an existing facility that was destroyed or damaged after June 30, 1987, by fire, lightning, or other hazard provided:

(i) destruction was not caused by the intentional act of or at the direction of a controlling person of the facility;

(ii) at the time the facility was destroyed or damaged the controlling persons of the facility maintained insurance coverage for the type of hazard that occurred in an amount that a reasonable person would conclude was adequate;

(iii) the net proceeds from an insurance settlement for the damages caused by the hazard are applied to the cost of the new facility or repairs;

(iv) the new facility is constructed on the same site as the destroyed facility or on another site subject to the restrictions in section 144A.073, subdivision 5;

(v) the number of licensed and certified beds in the new facility does not exceed the number of licensed and certified beds in the destroyed facility; and

(vi) the commissioner determines that the replacement beds are needed to prevent an inadequate supply of beds.

Project construction costs incurred for repairs authorized under this clause shall not be considered in the dollar threshold amount defined in subdivision 2;

(b) to license or certify beds that are moved from one location to another within a nursing home facility, provided the total costs of remodeling performed in conjunction with the relocation of beds does not exceed ~~\$750,000~~ \$1,000,000;

(c) to license or certify beds in a project recommended for approval under section 144A.073;

(d) to license or certify beds that are moved from an existing state nursing home to a different state facility, provided there is no net increase in the number of state nursing home beds;

(e) to certify and license as nursing home beds boarding care beds in a certified boarding care facility if the beds meet the standards for nursing home licensure, or in a facility that was granted an exception to the moratorium under section 144A.073, and if the cost of any remodeling of the facility does not exceed ~~\$750,000~~ \$1,000,000. If boarding care beds are licensed as nursing home beds, the number of boarding care beds in the facility must not increase beyond the number remaining at the time of the upgrade in licensure. The provisions contained in section 144A.073 regarding the upgrading of the facilities do not apply to facilities that satisfy these requirements;

(f) to license and certify up to 40 beds transferred from an existing facility owned and operated by the Amherst H. Wilder Foundation in the city of St. Paul to a new unit at the same location as the existing facility that will serve persons with Alzheimer's disease and other related disorders. The transfer of beds may occur gradually or in stages, provided the total number of beds transferred does not exceed 40. At the time of licensure and certification of a bed or beds in the new unit, the commissioner of health shall delicense and decertify the same number of beds in the existing facility. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the transfers allowed under this paragraph;

(g) to license and certify nursing home beds to replace currently licensed and certified boarding care beds which may be located either in a remodeled or renovated boarding care or nursing home facility or in a remodeled, renovated, newly constructed, or replacement nursing home facility within the identifiable complex of health care facilities in which the currently licensed boarding care beds are presently located, provided that the number of boarding care beds in the facility or complex are decreased by the number to be licensed as nursing home beds and further provided that, if the total costs of new construction, replacement, remodeling, or renovation exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the new construction, replacement, remodeling, or renovation. The provisions contained in section 144A.073 regarding the upgrading of facilities do not apply to facilities that satisfy these requirements;

(h) to license as a nursing home and certify as a nursing facility a facility that is licensed as a boarding care facility but not certified under the medical assistance program, but only if the commissioner of human services certifies to the commissioner of health that licensing the facility as a nursing home and certifying the facility as a nursing facility will result in a net annual savings to the state general fund of \$200,000 or more;

(i) to certify, after September 30, 1992, and prior to July 1, 1993, existing nursing home beds in a facility that was licensed and in operation prior to January 1, 1992;

(j) to license and certify new nursing home beds to replace beds in a facility acquired by the Minneapolis community development agency as part of redevelopment activities in a city of the first class, provided the new facility is located within three miles of the site of the old facility. Operating and property costs for the new facility must be determined and allowed under section 256B.431 or 256B.434;

(k) to license and certify up to 20 new nursing home beds in a community-operated hospital and attached convalescent and nursing care facility with 40 beds on April 21, 1991, that suspended operation of the hospital in April 1986. The commissioner of human services shall provide the facility with the same per diem property-related payment rate for each additional licensed and certified bed as it will receive for its existing 40 beds;

(l) to license or certify beds in renovation, replacement, or upgrading projects as defined in section 144A.073, subdivision 1, so long as the cumulative total costs of the facility's remodeling projects do not exceed ~~\$750,000~~ \$1,000,000;

(m) to license and certify beds that are moved from one location to another for the purposes of converting up to five four-bed wards to single or double occupancy rooms in a nursing home that, as of January 1, 1993, was county-owned and had a licensed capacity of 115 beds;

(n) to allow a facility that on April 16, 1993, was a 106-bed licensed and certified nursing facility located in Minneapolis to layaway all of its licensed and certified nursing home beds. These beds may be relicensed and recertified in a newly-constructed teaching nursing home facility affiliated with a teaching hospital upon approval by the legislature. The proposal must be developed in consultation with the interagency committee on long-term care planning. The beds on layaway status shall have the same status as voluntarily delicensed and decertified beds, except that beds on layaway status remain subject to the surcharge in section 256.9657. This layaway provision expires July 1, 1998;

(o) to allow a project which will be completed in conjunction with an approved moratorium exception project for a nursing home in southern Cass county and which is directly related to that portion of the facility that must be repaired, renovated, or replaced, to correct an emergency plumbing problem for which a state correction order has been issued and which must be corrected by August 31, 1993;

(p) to allow a facility that on April 16, 1993, was a 368-bed licensed and certified nursing facility located in Minneapolis to layaway, upon 30 days prior written notice to the commissioner, up to 30 of the facility's licensed and certified beds by converting three-bed wards to single or double occupancy. Beds on layaway status shall have the same status as voluntarily delicensed and decertified beds except that beds on layaway status remain subject to the surcharge in section 256.9657, remain subject to the license application and renewal fees under section 144A.07 and shall be subject to a \$100 per bed reactivation fee. In addition, at any time within three years of the effective date of the layaway, the beds on layaway status may be:

(1) relicensed and recertified upon relocation and reactivation of some or all of the beds to an existing licensed and certified facility or facilities located in Pine River, Brainerd, or International Falls; provided that the total project construction costs related to the relocation of beds from layaway status for any facility receiving relocated beds may not exceed the dollar threshold provided in subdivision 2 unless the construction project has been approved through the moratorium exception process under section 144A.073;

(2) relicensed and recertified, upon reactivation of some or all of the beds within the facility which placed the beds in layaway status, if the commissioner has determined a need for the reactivation of the beds on layaway status.

The property-related payment rate of a facility placing beds on layaway status must be adjusted by the incremental change in its rental per diem after recalculating the rental per diem as provided in section 256B.431, subdivision 3a, paragraph (c). The property-related payment rate for a facility relicensing and recertifying beds from layaway status must be adjusted by the incremental change in its rental per diem after recalculating its rental per diem using the number of beds after the

relicensing to establish the facility's capacity day divisor, which shall be effective the first day of the month following the month in which the relicensing and recertification became effective. Any beds remaining on layaway status more than three years after the date the layaway status became effective must be removed from layaway status and immediately delicensed and decertified;

(q) to license and certify beds in a renovation and remodeling project to convert 12 four-bed wards into 24 two-bed rooms, expand space, and add improvements in a nursing home that, as of January 1, 1994, met the following conditions: the nursing home was located in Ramsey county; had a licensed capacity of 154 beds; and had been ranked among the top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total project construction cost estimate for this project must not exceed the cost estimate submitted in connection with the 1993 moratorium exception process;

(r) to license and certify up to 117 beds that are relocated from a licensed and certified 138-bed nursing facility located in St. Paul to a hospital with 130 licensed hospital beds located in South St. Paul, provided that the nursing facility and hospital are owned by the same or a related organization and that prior to the date the relocation is completed the hospital ceases operation of its inpatient hospital services at that hospital. After relocation, the nursing facility's status under section 256B.431, subdivision 2j, shall be the same as it was prior to relocation. The nursing facility's property-related payment rate resulting from the project authorized in this paragraph shall become effective no earlier than April 1, 1996. For purposes of calculating the incremental change in the facility's rental per diem resulting from this project, the allowable appraised value of the nursing facility portion of the existing health care facility physical plant prior to the renovation and relocation may not exceed \$2,490,000;

(s) to license and certify two beds in a facility to replace beds that were voluntarily delicensed and decertified on June 28, 1991;

(t) to allow 16 licensed and certified beds located on July 1, 1994, in a 142-bed nursing home and 21-bed boarding care home facility in Minneapolis, notwithstanding the licensure and certification after July 1, 1995, of the Minneapolis facility as a 147-bed nursing home facility after completion of a construction project approved in 1993 under section 144A.073, to be laid away upon 30 days' prior written notice to the commissioner. Beds on layaway status shall have the same status as voluntarily delicensed or decertified beds except that they shall remain subject to the surcharge in section 256.9657. The 16 beds on layaway status may be relicensed as nursing home beds and recertified at any time within five years of the effective date of the layaway upon relocation of some or all of the beds to a licensed and certified facility located in Watertown, provided that the total project construction costs related to the relocation of beds from layaway status for the Watertown facility may not exceed the dollar threshold provided in subdivision 2 unless the construction project has been approved through the moratorium exception process under section 144A.073.

The property-related payment rate of the facility placing beds on layaway status must be adjusted by the incremental change in its rental per diem after recalculating the rental per diem as provided in section 256B.431, subdivision 3a, paragraph (c). The property-related payment rate for the facility relicensing and recertifying beds from layaway status must be adjusted by the incremental change in its rental per diem after recalculating its rental per diem using the number of beds after the relicensing to establish the facility's capacity day divisor, which shall be effective the first day of the month following the month in which the relicensing and recertification became effective. Any beds remaining on layaway status more than five years after the date the layaway status became effective must be removed from layaway status and immediately delicensed and decertified;

(u) to license and certify beds that are moved within an existing area of a facility or to a newly constructed addition which is built for the purpose of eliminating three- and four-bed rooms and adding space for dining, lounge areas, bathing rooms, and ancillary service areas in a nursing home that, as of January 1, 1995, was located in Fridley and had a licensed capacity of 129 beds;

(v) to relocate 36 beds in Crow Wing county and four beds from Hennepin county to a 160-bed facility in Crow Wing county, provided all the affected beds are under common ownership;

(w) to license and certify a total replacement project of up to 49 beds located in Norman county that are relocated from a nursing home destroyed by flood and whose residents were relocated to other nursing homes. The operating cost payment rates for the new nursing facility shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the reimbursement provisions of section 256B.431, except that subdivision 26, paragraphs (a) and (b), shall not apply until the second rate year after the settle-up cost report is filed. Property-related reimbursement rates shall be determined under section 256B.431, taking into account any federal or state flood-related loans or grants provided to the facility;

(x) to license and certify a total replacement project of up to 129 beds located in Polk county that are relocated from a nursing home destroyed by flood and whose residents were relocated to other nursing homes. The operating cost payment rates for the new nursing facility shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the reimbursement provisions of section 256B.431, except that subdivision 26, paragraphs (a) and (b), shall not apply until the second rate year after the settle-up cost report is filed. Property-related reimbursement rates shall be determined under section 256B.431, taking into account any federal or state flood-related loans or grants provided to the facility;

(y) to license and certify beds in a renovation and remodeling project to convert 13 three-bed wards into 13 two-bed rooms and 13 single-bed rooms, expand space, and add improvements in a nursing home that, as of January 1, 1994, met the following conditions: the nursing home was located in Ramsey county, was not owned by a hospital corporation, had a licensed capacity of 64 beds, and had been ranked among the top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total project construction cost estimate for this project must not exceed the cost estimate submitted in connection with the 1993 moratorium exception process;

(z) to license and certify up to 150 nursing home beds to replace an existing 285 bed nursing facility located in St. Paul. The replacement project shall include both the renovation of existing buildings and the construction of new facilities at the existing site. The reduction in the licensed capacity of the existing facility shall occur during the construction project as beds are taken out of service due to the construction process. Prior to the start of the construction process, the facility shall provide written information to the commissioner of health describing the process for bed reduction, plans for the relocation of residents, and the estimated construction schedule. The relocation of residents shall be in accordance with the provisions of law and rule;

(aa) to allow the commissioner of human services to license an additional 36 beds to provide residential services for the physically handicapped under Minnesota Rules, parts 9570.2000 to 9570.3400, in a 198-bed nursing home located in Red Wing, provided that the total number of licensed and certified beds at the facility does not increase;

(bb) to license and certify a new facility in St. Louis county with 44 beds constructed to replace an existing facility in St. Louis county with 31 beds, which has resident rooms on two separate floors and an antiquated elevator that creates safety concerns for residents and prevents nonambulatory residents from residing on the second floor. The project shall include the elimination of three- and four-bed rooms;

(cc) to license and certify four beds in a 16-bed certified boarding care home in Minneapolis to replace beds that were voluntarily delicensed and decertified on or before March 31, 1992. The licensure and certification is conditional upon the facility periodically assessing and adjusting its resident mix and other factors which may contribute to a potential institution for mental disease declaration. The commissioner of human services shall retain the authority to audit the facility at any time and shall require the facility to comply with any requirements necessary to prevent an institution for mental disease declaration, including delicensure and decertification of beds, if necessary; ~~or~~

(dd) to license and certify 72 beds in an existing facility in Mille Lacs county with 80 beds as part of a renovation project. The renovation must include construction of an addition to accommodate ten residents with beginning and midstage dementia in a self-contained living unit; creation of three resident households where dining, activities, and support spaces are located near resident living quarters; designation of four beds for rehabilitation in a self-contained area; designation of 30 private rooms; and other improvements; or

(ee) to license and certify beds in a facility that has undergone remodeling as part of a planned closure under section 256B.437.

Sec. 5. Minnesota Statutes 2000, section 144A.073, subdivision 2, is amended to read:

Subd. 2. [REQUEST FOR PROPOSALS.] At the authorization by the legislature of additional medical assistance expenditures for exceptions to the moratorium on nursing homes, the interagency committee shall publish in the State Register a request for proposals for nursing home projects to be licensed or certified under section 144A.071, subdivision 4a, clause (c). The public notice of this funding and the request for proposals must specify how the approval criteria will be prioritized by the advisory review panel, the interagency long-term care planning committee, and the commissioner. The notice must describe the information that must accompany a request and state that proposals must be submitted to the interagency committee within 90 days of the date of publication. The notice must include the amount of the legislative appropriation available for the additional costs to the medical assistance program of projects approved under this section. If no money is appropriated for a year, the interagency committee shall publish a notice to that effect, and no proposals shall be requested. If money is appropriated, the interagency committee shall initiate the application and review process described in this section at least twice each biennium and up to four times each biennium, according to dates established by rule. Authorized funds shall be allocated proportionally to the number of processes. Funds not encumbered by an earlier process within a biennium shall carry forward to subsequent iterations of the process. ~~Authorization for expenditures does not carry forward into the following biennium.~~ To be considered for approval, a proposal must include the following information:

- (1) whether the request is for renovation, replacement, upgrading, conversion, or relocation;
- (2) a description of the problem the project is designed to address;
- (3) a description of the proposed project;
- (4) an analysis of projected costs of the nursing facility proposal, which are not required to exceed the cost threshold referred to in section 144A.071, subdivision 1, to be considered under this section, including initial construction and remodeling costs; site preparation costs; technology costs; financing costs, including the current estimated long-term financing costs of the proposal, which consists of estimates of the amount and sources of money, reserves if required under the proposed funding mechanism, annual payments schedule, interest rates, length of term, closing costs and fees, insurance costs, and any completed marketing study or underwriting review; and estimated operating costs during the first two years after completion of the project;
- (5) for proposals involving replacement of all or part of a facility, the proposed location of the replacement facility and an estimate of the cost of addressing the problem through renovation;
- (6) for proposals involving renovation, an estimate of the cost of addressing the problem through replacement;
- (7) the proposed timetable for commencing construction and completing the project;
- (8) a statement of any licensure or certification issues, such as certification survey deficiencies;
- (9) the proposed relocation plan for current residents if beds are to be closed so that the department of human services can estimate the total costs of a proposal; and
- (10) other information required by permanent rule of the commissioner of health in accordance with subdivisions 4 and 8.

Sec. 6. [144A.161] [NURSING FACILITY RESIDENT RELOCATION.]

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to subdivisions 2 to 9.

(a) "Closure" means the cessation of operations of a nursing home and the delicensure and decertification of all beds within the facility.

(b) "Curtailment," "reduction," or "change" refers to any change in operations which would result in or encourage the relocation of residents.

(c) "Facility" means a nursing home licensed pursuant to this chapter, or a certified boarding care home licensed pursuant to sections 144.50 to 144.56.

(d) "Licensee" means the facility that is proposing a closure, curtailment, reduction, or change in operations which may result in the relocation of residents.

(e) "Local agency" means the county or multicounty social service agency authorized under sections 393.01 and 393.07, as the agency responsible for providing social services for the county in which the nursing home is located.

(f) "Plan" means a process developed under subdivision 3, paragraph (b), for the closure, curtailment, reduction, or change in operations in a facility and the subsequent relocation of residents.

(g) "Relocation" means the discharge of a resident and movement of the resident to another facility or living arrangement as a result of the closing, curtailment, reduction, or change in operations of a nursing home or boarding care home.

Subd. 2. [INITIAL NOTICE FROM LICENSEE.] (a) The licensee of the facility shall notify the following parties in writing when there is an intent to close, curtail, reduce, or change operations or services which would result in the relocation of residents: the department of health, the department of human services, the local agency, the office of ombudsman for older Minnesotans, and the ombudsman for mental health/mental retardation.

(b) The written notice shall include the names, telephone numbers, facsimile numbers, and e-mail addresses of the persons responsible for coordinating the licensee's efforts in the planning process, and the number of residents potentially affected by the closure, curtailment, reduction, or change in operations.

Subd. 3. [PLANNING PROCESS.] (a) The local agency shall, within five working days of receiving initial notice of the licensee's intent to close, curtail, reduce, or change operations, provide the licensee and all parties identified in subdivision 2, paragraph (a), with the names, telephone numbers, facsimile numbers, and e-mail addresses of those persons responsible for coordinating local agency efforts in the planning process.

(b) The licensee shall convene a meeting of representatives from the department of health, the department of human services, and the local agency to jointly develop a plan regarding the closure, curtailment, or change in facility operations. The licensee must allow a minimum of 45 days for this planning process from the day of the initial notice. However, the plan may be finalized on an earlier schedule agreed to by all parties. The plan shall:

- (1) identify the expected date of closure, curtailment, reduction, or change in operations;
- (2) outline the process for public notification of the closure, curtailment, reduction, or change in operations;
- (3) identify and make efforts to include other stakeholders in the planning process;
- (4) outline the process to ensure 60-day advance written notice to residents, family members, and designated representatives;
- (5) present an aggregate description of the resident population remaining to be relocated and their needs;
- (6) outline the individual resident assessment process to be utilized;
- (7) identify an inventory of available relocation options, including home and community-based services;

- (8) identify a timeline for submission of the list identified in subdivision 5, paragraph (h);
- (9) identify a schedule for the timely completion of each element of the plan; and
- (10) provide an estimate of the relocation costs to the local agency.

Subd. 4. [RESPONSIBILITIES OF LICENSEE FOR RESIDENT RELOCATIONS.] The licensee shall provide for the safe, orderly, and appropriate relocation of residents. The licensee and facility staff shall cooperate with representatives from the local agency, the department of health, the department of human services, the office of ombudsman for older Minnesotans, and ombudsman for mental health/mental retardation, in planning for and implementing the relocation of residents. The discharge and relocation of residents must comply with all applicable state and federal requirements.

Subd. 5. [RESPONSIBILITIES PRIOR TO RELOCATION.] (a) The licensee shall provide an initial notice as described in subdivision 2, when there is an intent to close, curtail, reduce, or change in operations which would result in the relocation of residents.

(b) The licensee shall establish an interdisciplinary team responsible for coordinating and implementing the plan as outlined in subdivision 3, paragraph (b). The interdisciplinary team shall include representatives from the local agency, the office of ombudsman for older Minnesotans, facility staff that provide direct care services to the residents, and facility administration.

(c) The licensee shall provide a list to the local agency that includes the following information on each resident to be relocated:

- (1) the resident's name;
- (2) date of birth;
- (3) social security number;
- (4) medical assistance identification number;
- (5) all diagnoses; and

(6) the name and contact information for the resident's family or other designated representative.

(d) The licensee shall consult with the local agency on the availability and development of available resources, and on the resident relocation process.

(e) At least 60 days before the proposed date of closing, curtailment, reduction, or change in operations as agreed to in the plan, the licensee shall send a written notice of closure, curtailment, reduction, or change in operations to each resident being relocated, the resident's family member or designated representative, and the resident's attending physician. The notice must include the following:

- (1) the date of the proposed closure, curtailment, reduction, or change in operations;
- (2) the name, address, telephone number, facsimile number, and e-mail address of the individual or individuals in the facility responsible for providing assistance and information;
- (3) notification of upcoming meetings for individuals, families, and resident councils to discuss the relocation of residents;
- (4) the name, address, and telephone number of the local agency contact person;
- (5) the name, address, and telephone number of the office of ombudsman for older Minnesotans and the ombudsman for mental health/mental retardation; and
- (6) a notice of resident rights during discharge and relocation, in a form approved by the office of ombudsman for older Minnesotans.

The notice must comply with all applicable state and federal requirements for notice of transfer or discharge of nursing home residents.

(f) The licensee shall request the attending physician provide or arrange for the release of medical information needed to update resident medical records and prepare all required forms and discharge summaries.

(g) The licensee shall provide sufficient preparation to residents to ensure safe, orderly and appropriate discharge, and relocation. The licensee shall assist residents in finding placements that respond to personal preferences, such as desired geographic location.

(h) The licensee shall prepare a resource list with several relocation options for each resident. The list must contain the following information for each relocation option, when applicable:

(1) the name, address, and telephone and facsimile numbers of each facility with appropriate, available beds or services;

(2) the certification level of the available beds;

(3) the types of services available;

(4) the name, address, and telephone and facsimile numbers of appropriate available home and community-based placements, services and settings, or other options for individuals with special needs.

The list shall be made available to residents and their families or designated representatives, and upon request to the office of ombudsman for older Minnesotans and ombudsman for mental health/mental retardation, and the local agency.

(i) Following the establishment of the plan under subdivision 3, paragraph (b), the licensee shall conduct meetings with residents, designated representatives, and resident and family councils to notify them of the process for resident relocation. Representatives from the local county social services agency and the office of ombudsman for older Minnesotans and the ombudsman for mental health/mental retardation shall receive advance notice of the meetings.

(j) The licensee shall assist residents in making site visits to facilities with available beds or other appropriate living options to which the resident may relocate, unless it is medically inadvisable, as documented by the attending physician in the resident's care record. The licensee shall provide transportation for site visits to facilities or other living options within a 50-mile radius to which the resident may relocate. The licensee shall provide available written materials to residents on a potential new facility or living option.

(k) The licensee shall complete an inventory of resident personal possessions and provide a copy of the final inventory to the resident and the resident's designated representative prior to relocation. The licensee shall be responsible for the transfer of the resident's possessions for all relocations within a 50-mile radius of the facility. The licensee shall complete the transfer of resident possessions in a timely manner, but no later than the date of the actual physical relocation of the resident.

(l) The licensee shall complete a final accounting of personal funds held in trust by the facility and provide a copy of this accounting to the resident and the resident's family or the resident's designated representative. The licensee shall be responsible for the transfer of all personal funds held in trust by the facility. The licensee shall complete the transfer of all personal funds in a timely manner.

(m) The licensee shall assist residents with the transfer and reconnection of service for telephones or other personal communication devices or services. The licensee shall pay the costs associated with reestablishing service for telephones or other personal communication devices or services, such as connection fees or other one-time charges. The transfer or reconnection of personal communication devices or services shall be completed in a timely manner.

(n) The licensee shall provide the resident, the resident's family or designated representative, and the resident's attending physician final written notice prior to the relocation of the resident. The notice must:

(1) be provided seven days prior to the actual relocation, unless the resident agrees to waive the right to advance notice; and

(2) identify the date of the anticipated relocation and the destination to which the resident is being relocated.

(o) The licensee shall provide the receiving facility or other health, housing, or care entity with complete and accurate resident records including information on family members, designated representatives, guardians, social service caseworkers, or other contact information. These records must also include all information necessary to provide appropriate medical care and social services. This includes, but is not limited to, information on preadmission screening, Level I and Level II screening, Minimum Data Set (MDS) and all other assessments, resident diagnoses, social, behavioral, and medication information.

Subd. 6. [RESPONSIBILITIES OF THE LICENSEE DURING RELOCATION.] (a) The licensee shall arrange for the safe transport of residents to the new facility or placement.

(b) The licensee must ensure that there is no disruption in the provision of meals, medications, or treatments of the resident during the relocation process.

(c) Beginning the week following development of the initial relocation plan, the licensee shall submit biweekly status reports to the commissioners of the department of health and the department of human services or their designees, and to the local agency. The initial status report must identify:

(1) the relocation plan developed;

(2) the interdisciplinary team members; and

(3) the number of residents to be relocated.

(d) Subsequent status reports must identify:

(1) any modifications to the plan;

(2) any change of interdisciplinary team members;

(3) the number of residents relocated;

(4) the destination to which residents have been relocated;

(5) the number of residents remaining to be relocated; and

(6) issues or problems encountered during the process and resolution of these issues.

Subd. 7. [RESPONSIBILITIES OF THE LICENSEE FOLLOWING RELOCATION.] The licensee shall retain or make arrangements for the retention of all remaining resident records, for the period required by law. The licensee shall provide the department of health access to these records. The licensee shall notify the department of health of the location of any resident records that have not been transferred to the new facility or other health care entity.

Subd. 8. [RESPONSIBILITIES OF THE LOCAL AGENCY.] (a) The local agency shall participate in the meeting as outlined in subdivision 3, paragraph (b), to develop a relocation plan.

(b) The local agency shall designate a representative to the interdisciplinary team established by the licensee responsible for coordinating the relocation efforts.

(c) The local agency shall serve as a resource in the relocation process.

(d) Concurrent with the notice sent to residents from the licensee as provided in subdivision 5, paragraph (e), the local agency shall provide written notice to residents, family, or designated representatives describing:

(1) the county's role in the relocation process and in the follow-up to relocations;

(2) a local agency contact name, address, and telephone number; and

(3) the name, address, and telephone number of the office of ombudsman for older Minnesotans and the ombudsman for mental health/mental retardation.

(e) The local agency designee shall meet with appropriate facility staff to coordinate any assistance in the relocation process. This coordination shall include participating in group meetings with residents, families, and designated representatives to explain the relocation process.

(f) The local agency shall monitor compliance with all components of the plan. If the licensee is not in compliance, the local agency shall notify the commissioners of the department of health and the department of human services.

(g) The local agency shall report to the commissioners of health and human services any relocations that endanger the health, safety, or well-being of residents. The local agency shall pursue remedies to protect the resident during the relocation process, including, but not limited to, assisting the resident with filing an appeal of transfer or discharge, notification of all appropriate licensing boards and agencies, and other remedies available to the county under section 626.557, subdivision 10.

(h) A member of the local agency staff shall visit residents relocated within one hundred miles of the county within 30 days after the relocation. Local agency staff shall interview the resident and family or designated representative, observe the resident on site, and review and discuss pertinent medical or social records with facility staff to:

(1) assess the adjustment of the resident to the new placement;

(2) recommend services or methods to meet any special needs of the resident; and

(3) identify residents at risk.

(i) The local agency shall have the authority to conduct subsequent follow-up visits in cases where the adjustment of the resident to the new placement is in question.

(j) Within 60 days of the completion of the follow-up visits, the local agency shall submit a written summary of the follow-up work to the department of health and the department of human services, in a manner approved by the commissioners.

(k) The local agency shall submit to the department of health and the department of human services a report of any issues that may require further review or monitoring.

(l) The local agency shall be responsible for the safe and orderly relocation of residents in cases where an emergent need arises or when the licensee has abrogated its responsibilities under the plan.

Subd. 9. [FUNDING.] The commissioner of human services shall negotiate with the local agency to determine an amount of administrative funding within appropriations specified for this purpose to make available to the local agency for the costs of work related to the relocation process.

Subd. 10. [PENALTIES.] According to sections 144.653 and 144A.10, the licensee shall be subject to correction orders and civil monetary penalties of up to \$500 per day for each violation of this statute.

Sec. 7. [144A.1888] [REUSE OF FACILITIES.]

Notwithstanding any local ordinance related to development, planning, or zoning to the contrary, the conversion or reuse of a nursing home that closes or that curtails, reduces, or changes operations shall be considered a conforming use permitted under local law, provided that the facility is converted to another long-term care service approved by a regional planning group under section 256B.437 that serves a smaller number of persons than the number of persons served before the closure or curtailment, reduction, or change in operations.

Sec. 8. [144A.36] [TRANSITION PLANNING GRANTS.]

Subdivision 1. [DEFINITIONS.] "Eligible nursing home" means any nursing home licensed under sections 144A.01 to 144A.16 and certified by the appropriate authority under United States Code, title 42, sections 1396-1396p, to participate as a vendor in the medical assistance program established under chapter 256B.

Subd. 2. [GRANTS AUTHORIZED.] (a) The commissioner shall establish a program of transition planning grants to assist eligible nursing homes implement the provisions in paragraphs (b) and (c).

(b) Transition planning grants may be used by nursing homes to develop strategic plans which identify the appropriate institutional and noninstitutional settings necessary to meet the older adult service needs of the community.

(c) At a minimum, a strategic plan must consist of:

(1) a needs assessment to determine what older adult services are needed and desired by the community;

(2) an assessment of the appropriate settings in which to provide needed older adult services;

(3) an assessment identifying currently available services and their settings in the community; and

(4) a transition plan to achieve the needed outcome identified by the assessment.

Subd. 3. [ALLOCATION OF GRANTS.] (a) Eligible nursing homes must apply to the commissioner no later than September 1 of each fiscal year for grants awarded in that fiscal year. A grant shall be awarded upon signing of a grant contract.

(b) The commissioner must make a final decision on the funding of each application within 60 days of the deadline for receiving applications.

Subd. 4. [EVALUATION.] The commissioner shall evaluate the overall effectiveness of the grant program. The commissioner may collect, from the nursing homes receiving grants, information necessary to evaluate the grant program. Information related to the financial condition of individual nursing homes shall be classified as nonpublic data.

Sec. 9. [144A.37] [ALTERNATIVE NURSING HOME SURVEY PROCESS.]

Subdivision 1. [ALTERNATIVE NURSING HOME SURVEY SCHEDULES.] (a) The commissioner shall implement alternative procedures for the nursing home survey process as authorized under this section.

(b) These alternative survey process procedures seek to:

(1) use department resources more effectively and efficiently to target problem areas;

(2) use other existing or new mechanisms to provide objective assessments of quality and to measure quality improvement;

(3) provide for frequent collaborative interaction of facility staff and surveyors rather than a punitive approach; and

(4) reward a nursing home that has performed very well by extending intervals between full surveys.

(c) The commissioner shall pursue changes to federal law necessary to accomplish this process and shall apply for any necessary federal waivers or approval. If a federal waiver is required, the commissioner shall submit a formal waiver request no later than June 15, 2001. The commissioner shall also pursue any necessary federal law changes during the 107th Congress.

(d) The alternative nursing home survey schedule shall be implemented January 1, 2002, or upon federal approval.

Subd. 2. [SURVEY INTERVALS.] The commissioner must extend the time period between standard surveys to up to 30 months based on the criteria established in subdivision 4. In using the alternative survey schedule, the requirement for the statewide average to not exceed 12 months does not apply.

Subd. 3. [COMPLIANCE HISTORY.] The commissioner shall develop a process for identifying the survey cycles for skilled nursing facilities based upon the compliance history of the facility. This process may use a range of months for survey intervals. At a minimum, the process must be based on information from the last two survey cycles and shall take into consideration any deficiencies issued as the result of a survey or a complaint investigation during the interval. A skilled nursing facility with a finding of substandard quality of care or a finding of immediate jeopardy is not entitled to a survey interval greater than 12 months. The commissioner shall alter the survey cycle for a specific skilled nursing facility based on findings identified through the completion of a survey, a monitoring visit, or a complaint investigation. The commissioner must also take into consideration information other than the facility's compliance history.

Subd. 4. [CRITERIA FOR SURVEY INTERVAL CLASSIFICATION.] (a) The commissioner shall provide public notice of the classification process and shall identify the selected survey cycles for each skilled nursing facility. The classification system must be based on an analysis of the findings made during the past two standard survey intervals. The survey interval may be modified based on one survey or complaint finding.

(b) The commissioner shall also take into consideration information obtained from residents and family members in each skilled nursing facility and from other sources, such as employees and ombudsmen, in determining the appropriate survey intervals for facilities.

Subd. 5. [REQUIRED MONITORING.] (a) The commissioner shall conduct at least one monitoring visit on an annual basis for every skilled nursing facility that has been selected for a survey cycle greater than 12 months. The commissioner shall develop protocols for the monitoring visits which shall be less extensive than the requirements for a standard survey. The commissioner shall use the criteria in paragraph (b) to determine whether additional monitoring visits to a facility shall be required.

(b) The criteria shall include, but not be limited to, the following:

(1) changes in ownership, administration of the facility, or direction of the facility's nursing service;

(2) changes in the facility's quality indicators which might evidence a decline in the facility's quality of care;

(3) reductions in staffing or an increase in the utilization of temporary nursing personnel; and

(4) complaint information or other information that identifies potential concerns for the quality of the care and services provided in the skilled nursing facility.

Subd. 6. [SURVEY REQUIREMENTS FOR FACILITIES NOT APPROVED FOR EXTENDED SURVEY INTERVALS.] The commissioner shall establish a process for surveying and monitoring facilities that require a survey interval of less than 15 months. This process shall identify the steps that the commissioner must take to monitor the facility in addition to the standard survey.

Subd. 7. [IMPACT ON SURVEY AGENCY'S BUDGET.] The implementation of an alternative survey process for the state must not result in any reduction of funding that would have been provided to the state survey agency for survey and enforcement activity based upon the completion of full standard surveys for each skilled nursing facility in the state.

Subd. 8. [EDUCATIONAL ACTIVITIES.] The commissioner shall expand the state survey agency's ability to conduct training and educational efforts for skilled nursing facilities, residents and family members, residents and family councils, long-term care ombudsman programs, and the general public.

Subd. 9. [EVALUATION.] The commissioner shall develop a process for the evaluation of the effectiveness of an alternative survey process conducted under this section.

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

Sec. 10. Minnesota Statutes 2000, section 256B.431, is amended by adding a subdivision to read:

Subd. 31. [NURSING FACILITY RATE INCREASES BEGINNING JULY 1, 2001, AND JULY 1, 2002.] (a) For the rate years beginning July 1, 2001, and July 1, 2002, the commissioner shall make available to each nursing facility reimbursed under this section or section 256B.434 an adjustment to the total operating payment rates in effect on June 30, 2001, and June 30, 2002, respectively. The operating payment rate in effect on June 30, 2001, must include the adjustment in subdivision 2i, paragraph (c). The adjustment is comprised of a one percent increase in the total operating payment rate, to be used for operating costs, and an adjustment determined under paragraph (b).

(b) The adjustment under this paragraph must be used to increase the per-hour pay rate of all employees except management fees, the administrator, and central office staff by an equal dollar amount and to pay associated costs for FICA, the Medicare tax, workers' compensation premiums, and federal and state unemployment insurance. The adjustment is calculated according to clauses (1) to (3):

(1) the commissioner shall calculate the arithmetic mean of all June 30, 2001, and June 30, 2002, operating rates for each facility;

(2) the commissioner shall construct an array of nursing facilities from highest to lowest according to the arithmetic mean calculated in clause (1). A numerical rank must be assigned to each facility in the array. The facility with the highest mean must be assigned a numerical rank of one. The facility with the lowest mean must be assigned a numerical rank equal to the total number of nursing facilities in the array. All other facilities must be assigned a numerical rank in accordance with their position in the array; and

(3) the amount of this rate increase is \$1 plus an amount equal to \$3.72 multiplied by the ratio of the facility's numeric rank divided by the number of facilities in the array.

Money received by a facility as a result of the additional rate increase provided under this paragraph must be used only for wage increases implemented on or after July 1, 2001, or July 1, 2002, respectively, and must not be used for wage increases implemented prior to those dates.

(c) Nursing facilities may apply for the payment rate adjustment calculated under paragraph (b). The application must be made to the commissioner and contain a computation of the equal per-hour pay rate increase by which the nursing facility will distribute the payment rate adjustment to employees of the nursing facility. For nursing facilities in which the employees are represented by an exclusive bargaining representative, an agreement negotiated and agreed to by the employer and the exclusive bargaining representative constitutes the plan. A negotiated agreement may constitute the plan only if the agreement is finalized after the date of enactment of all increases for the rate year. The commissioner shall review the plan to ensure that the payment rate adjustment per diem is used as provided in paragraph (b). To be eligible, a facility must submit its plan for the compensation distribution by December 31 each year. If a facility's plan for compensation distribution is effective for its employees after July 1 of the year that the funds are available, the payment rate adjustment per diem is effective the same date as its plan.

(d) A copy of the approved distribution plan must be made available to all employees by giving each employee a copy or by posting it in an area of the nursing facility to which all employees have access. If an employee does not receive the compensation adjustment described in the facility's approved plan and is unable to resolve the problem with the facility's management or through the employee's union representative, the employee may contact the commissioner at an address or telephone number provided by the commissioner and included in the approved plan.

Sec. 11. Minnesota Statutes 2000, section 256B.431, is amended by adding a subdivision to read:

Subd. 32. [ADDITIONAL INCREASES FOR LOW RATE FACILITIES.] Before the calculation of the increases in subdivision 31, the commissioner must provide for special increases to facilities determined to be the lowest rate facilities in the state. The commissioner shall place all nursing facilities reimbursed under this section or section 256B.434 into one of the state development regions designated under section 462.385. Within each of the development regions, the commissioner shall identify the median nursing facility rates by case mix category. Nursing home rates that are below the median must be adjusted to the greater of their current rates or 98 percent of the region median. Certified boarding care home rates that are below the median must be adjusted to the greater of their current rates of 90 percent of the region median.

Sec. 12. Minnesota Statutes 2000, section 256B.434, subdivision 4, is amended to read:

Subd. 4. [ALTERNATE RATES FOR NURSING FACILITIES.] (a) For nursing facilities which have their payment rates determined under this section rather than section 256B.431, the commissioner shall establish a rate under this subdivision. The nursing facility must enter into a written contract with the commissioner.

(b) A nursing facility's case mix payment rate for the first rate year of a facility's contract under this section is the payment rate the facility would have received under section 256B.431.

(c) A nursing facility's case mix payment rates for the second and subsequent years of a facility's contract under this section are the previous rate year's contract payment rates plus an inflation adjustment. The index for the inflation adjustment must be based on the change in the Consumer Price Index-All Items (United States City average) (CPI-U) forecasted by Data Resources, Inc., as forecasted in the fourth quarter of the calendar year preceding the rate year. The inflation adjustment must be based on the 12-month period from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined. For the rate years beginning on July 1, 1999, and July 1, 2000, July 1, 2001, and July 1, 2002, this paragraph shall apply only to the property-related payment rate. In determining the amount of the property-related payment rate adjustment under this paragraph, the commissioner shall determine the proportion of the facility's rates that are property-related based on the facility's most recent cost report.

(d) The commissioner shall develop additional incentive-based payments of up to five percent above the standard contract rate for achieving outcomes specified in each contract. The specified facility-specific outcomes must be measurable and approved by the commissioner. The commissioner may establish, for each contract, various levels of achievement within an outcome. After the outcomes have been specified the commissioner shall assign various levels of payment associated with achieving the outcome. Any incentive-based payment cancels if there is a termination of the contract. In establishing the specified outcomes and related criteria the commissioner shall consider the following state policy objectives:

- (1) improved cost effectiveness and quality of life as measured by improved clinical outcomes;
- (2) successful diversion or discharge to community alternatives;
- (3) decreased acute care costs;
- (4) improved consumer satisfaction;
- (5) the achievement of quality; or

(6) any additional outcomes proposed by a nursing facility that the commissioner finds desirable.

Sec. 13. [256B.437] [NURSING FACILITY VOLUNTARY CLOSURES AND PLANNING AND DEVELOPMENT OF COMMUNITY-BASED ALTERNATIVES.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to subdivisions 2 to 9.

(b) "Closure" means the cessation of operations of a nursing facility and delicensure and decertification of all beds within the facility.

(c) "Commencement of closure" means the date on which the commissioner of health is notified of a planned closure in accordance with section 144A.16 as part of an approved closure plan.

(d) "Completion of closure" means the date on which the final resident of the nursing facility or nursing facilities designated for closure in an approved closure plan is discharged from the facility or facilities.

(e) "Closure plan" means a plan to close one or more nursing facilities and reallocate a portion of the resulting savings to provide planned closure rate adjustments at other facilities.

(f) "Partial closure" means the delicensure and decertification of a portion of the beds within the facility.

(g) "Planned closure rate adjustment" means an increase in a nursing facility's operating rates resulting from a planned closure or a planned partial closure of another facility.

Subd. 2. [REGIONAL LONG-TERM CARE PLANNING AND DEVELOPMENT.] (a) The commissioner of human services shall establish a process to adjust the capacity and distribution of long-term care services to equalize the supply and demand for different types of services. The process must include community and regional planning, expansion or establishment of needed services, and voluntary nursing facility closures.

(b) The commissioner shall issue a request for proposals to contract with regional long-term care planning groups. Each group must:

(1) consist of county health and social services agencies, consumers, housing agencies, a representative of nursing facilities, a representative of home and community-based services providers, a union representative, and area agencies on aging in the geographic area; and

(2) serve an area that has at least 2,000 people who are 85 years of age or older.

In awarding contracts, the commissioner shall give preference to groups that represent an entire area agency on aging region where there is not already a planning and development group established under section 256B.0917. An area not included in a proposal must be included in a group convened by the area agency on aging of that planning and service area through a contract negotiated by the commissioner.

(c) Each regional long-term care planning group shall:

(1) conduct a detailed assessment of the region's long-term care services system. This assessment must be completed within 90 days of the contract award and must evaluate the adequacy of nursing facility beds and the impact of potential nursing facility closures. The commissioner of health and the commissioner of human services, as appropriate, shall provide data to the group on nursing facility bed distribution, housing-with-service options, the closure of nursing facilities in the planning area that occur outside of the planned closure process, the approval of planned closures in the planning area, the addition of new community long-term care services in the area, the closure of existing community long-term care services in the area, and other available data;

(2) plan options for increasing community capacity to provide more home and community-based services to reduce reliance on nursing facility services;

(3) develop community services alternatives to ensure that sufficient community-based services are available to meet demand;

(4) assist a nursing facility in the development of a proposal to the commissioner for voluntary bed closures under this section;

(5) monitor the success of alternatives to nursing facility care that are developed that meet the needs of communities; and

(6) respond to requests from the commissioner for information about long-term care planning and development activities in the region.

Subd. 2a. [PLANNING AND DEVELOPMENT OF COMMUNITY-BASED SERVICES.] (a) The purpose of this subdivision is to promote the planning and development of community-based services prior to the transitioning or closure of nursing facilities. This process will support early intervention, advocacy, and consumer protection while providing incentives for the nursing facilities to transition to meet community needs.

(b) The commissioner shall establish a process to support and facilitate expansion of community-based services under the county-administered alternative care program and the elderly waiver program. The process shall utilize community assessments and planning developed for the community health services plan and plan update and for the Community Social Services Act plan.

(c) The plan shall include recommendations for development of community-based services, and both planning and implementation shall be implemented within the amount of funding made available to the county board for these purposes.

(d) The plan, within the funding allocated, shall:

(1) identify the need for services for all residents in each community within the county based on demographic and caseload information;

(2) involve providers, consumers, cities, townships, and businesses in the planning process;

(3) address the need for all alternative care and elderly waiver services for eligible recipients;

(4) assess the need for other supportive services such as transit, housing, and workforce and economic development;

(5) estimate the cost and timelines for development; and

(6) coordinate with the county mental health plan, the community health services plan, and community social services plan.

(e) The county board shall cooperate in planning and implementation with any county having a nursing facility that includes their county in the immediate service area within the funding allocated for these purposes.

(f) The commissioner of health, in cooperation with the commissioner of human services and county boards, shall jointly report to the legislature by January 15 of each year regarding the development of community-based services, transition or closure of nursing facilities, and consumer outcomes achieved.

Subd. 3. [APPLICATIONS FOR PLANNED CLOSURE OF NURSING FACILITIES.] (a) By July 15, 2001, the commissioner of human services shall implement and announce a program for closure or partial closure of nursing facilities. The announcement must specify:

(1) the criteria in subdivision 4 that will be used by the commissioner to approve or reject applications;

(2) the information that must accompany an application; and

(3) that applications may combine planned closure rate adjustments with moratorium exception funding, in which case a single application may serve both purposes.

Between July 1, 2001, and June 30, 2003, the commissioner may approve planned closures of up to 5,140 nursing facility beds.

(b) A facility or facilities reimbursed under section 256B.431 or 256B.434 with a closure plan approved by the commissioner under subdivision 6 may assign a planned closure rate adjustment to another facility or facilities that are not closing or in the case of a partial closure, to itself. The planned closure rate adjustment must be implemented under subdivision 7.

(c) To be considered for approval, an application must include:

(1) a description of the proposed closure plan, which must include identification of the facility or facilities to receive a planned closure rate adjustment and the amount and timing of a planned closure rate adjustment proposed for each facility;

(2) the proposed timetable for any proposed closure, including the proposed dates for announcement to residents, commencement of closure, and completion of closure;

(3) the proposed relocation plan for current residents of any facility designated for closure. The proposed relocation plan must be designed to comply with all applicable state and federal statutes and regulations, including, but not limited to, section 144A.161;

(4) a description of the relationship between the nursing facility that is proposed for closure and the nursing facility or facilities proposed to receive the planned closure rate adjustment. If these facilities are not under common ownership, copies of any contracts, purchase agreements, or other documents establishing a relationship or proposed relationship must be provided;

(5) documentation, in a format approved by the commissioner, that all the nursing facilities receiving a planned closure rate adjustment under the plan have accepted joint and several liability for recovery of overpayments under section 256B.0641, subdivision 2, for the facilities designated for closure under the plan; and

(6) an explanation of how the application coordinates with the regional plan of the group established under subdivision 2.

(d) The application must address the criteria listed in subdivision 4.

Subd. 4. [CRITERIA FOR REVIEW OF APPLICATION.] In reviewing and approving closure proposals, the commissioner of human services shall consider, but not be limited to, the following criteria:

(1) improved quality of care and quality of life for consumers;

(2) closure of a nursing facility that has a poor physical plant;

(3) the existence of excess nursing facility beds, measured in terms of beds per thousand persons aged 85 or older. The excess must be measured in reference to:

(i) the county in which the facility is located;

(ii) the county and all contiguous counties;

(iii) the region in which the facility is located; or

(iv) the facility's service area;

the facility shall indicate in its application the service area it believes is appropriate for this measurement. A facility in a county that is in the lowest quartile of counties with reference to beds per thousand persons aged 85 or older is not in an area of excess capacity;

(4) low-occupancy rates, provided that the unoccupied beds are not the result of a personnel shortage. In analyzing occupancy rates, the commissioner shall examine waiting lists in the applicant facility and at facilities in the surrounding area, as determined under clause (3);

(5) evidence of coordination between the community planning process and the facility application;

(6) proposed usage of funds available from a planned closure rate adjustment for care-related purposes;

(7) innovative use planned for the closed facility's physical plant;

(8) evidence that the proposal serves the interests of the state; and

(9) evidence of other factors that affect the viability of the facility, including excessive nursing pool costs.

Subd. 5. [CERTIFICATION.] Upon receipt of an application for planned closure, the commissioner of human services shall provide a copy of the application to the commissioner of health. The commissioner of health shall certify to the commissioner of human services within 14 days whether the application, if implemented, will satisfy the requirements of section 144A.161. The commissioner of human services shall reject all applications for which the commissioner of health fails to make the certification required under this subdivision within 14 days.

Subd. 6. [REVIEW AND APPROVAL OF APPLICATIONS.] (a) The commissioner of human services, in consultation with the commissioner of health, shall approve or disapprove an application within 30 days after receiving it.

(b) Approval of a planned closure expires 18 months after approval by the commissioner of human services, unless commencement of closure has begun.

(c) The commissioner of human services may change any provision of the application to which the applicant, the regional planning group, and the commissioner agree.

Subd. 7. [PLANNED CLOSURE RATE ADJUSTMENT.] The commissioner of human services shall calculate the amount of the planned closure rate adjustment available under subdivision 3, paragraph (b), according to clauses (1) to (4):

(1) the amount available is the net reduction of nursing facility beds multiplied by \$2,080;

(2) the total number of beds in the nursing facility or facilities receiving the planned closure rate adjustment must be identified;

(3) capacity days are determined by multiplying the number determined under clause (2) by 365; and

(4) the planned closure rate adjustment is the amount available in clause (1), divided by capacity days determined under clause (3);

(5) a planned closure rate adjustment under this section is effective on the first day of the month following completion of closure of the facility designated for closure in the application and becomes part of the nursing facility's total operating payment rate;

(6) applicants may use the planned closure rate adjustment to allow for a property payment for a new nursing facility or an addition to an existing nursing facility. Applications approved under this subdivision are exempt from other requirements for moratorium exceptions under section 144A.073, subdivisions 2 and 3; and

(7) upon approval of the commissioner, the closing facility shall receive a closure rate adjustment of up to \$300 per resident to be relocated to reimburse actual relocation costs or other costs related to facility downsizing or closure. The commissioner shall delay the implementation of the planned closure rate adjustments to offset the cost of this rate adjustment.

Subd. 8. [OTHER RATE ADJUSTMENTS.] Facilities subject to this section remain eligible for any applicable rate adjustments provided under section 256B.431, 256B.434, or any other section.

Subd. 9. [COUNTY COSTS.] The commissioner of human services may allocate up to \$400 per nursing facility bed that is closing, within the limits of the appropriation specified for this purpose, to be used for relocation costs incurred by counties for planned closures under this section or resident relocation under section 144A.16. To be eligible for this allocation, a county in which a nursing facility closes must provide to the commissioner a detailed statement in a form provided by the commissioner of additional costs, not to exceed \$400 per bed closed, that are directly incurred related to the county's required role in the relocation process.

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

Sec. 14. [256B.438] [LONG-TERM CARE QUALITY PROFILES.]

Subdivision 1. [DEVELOPMENT AND IMPLEMENTATION OF QUALITY PROFILES.]
(a) The commissioner of human services shall develop and implement a quality profile system for nursing facilities and, beginning not later than July 1, 2003, other providers of long-term care services. The system must be developed and implemented to the extent possible without the collection of significant amounts of new data. The system must not duplicate the requirements of section 256B.5011, 256B.5012, or 256B.5013. The system must be designed to provide information on quality:

- (1) to consumers and their families to facilitate informed choices of service providers;
- (2) to providers to enable them to measure the results of their quality improvement efforts and compare quality achievements with other service providers; and
- (3) to public and private purchasers of long-term care services to enable them to purchase high-quality care.

(b) The system must be developed in consultation with the long-term care task force and representatives of consumers, providers, and labor unions. Within the limits of available appropriations, the commissioner may employ consultants to assist with this project.

Subd. 2. [QUALITY MEASUREMENT TOOLS.] The commissioner of human services shall identify and apply existing quality measurement tools to:

- (1) emphasize quality of care and its relationship to quality of life; and
- (2) address the needs of various users of long-term care services, including, but not limited to, short-stay residents, persons with behavioral problems, persons with dementia, and persons who are members of minority groups.

The tools must be identified and applied, to the extent possible, without requiring providers to supply information beyond current state and federal requirements.

Subd. 3. [CONSUMER SURVEYS.] Following identification of the quality measurement tool, the commissioner of human services shall conduct surveys of long-term care service consumers to develop quality profiles of providers. To the extent possible, surveys must be conducted face-to-face by state employees or contractors. At the discretion of the commissioner, surveys may be conducted by telephone or by provider staff. Surveys must be conducted periodically to update quality profiles of individual service providers.

Subd. 4. [DISSEMINATION OF QUALITY PROFILES.] By July 1, 2002, the commissioner of human services shall implement a system to disseminate the quality profiles developed from consumer surveys using the quality measurement tool. Profiles must be disseminated to consumers, providers, and purchasers of long-term care services through all feasible printed and electronic outlets. The commissioner shall conduct a public awareness campaign to inform potential users regarding profile contents and potential uses.

Sec. 15. Minnesota Statutes 2000, section 256B.5012, subdivision 3, is amended to read:

Subd. 3. [PROPERTY PAYMENT RATE.] (a) The property payment rate effective October 1, 2000, is based on the facility's modified property payment rate in effect on September 30, 2000. The modified property payment rate is the actual property payment rate exclusive of the effect of gains or losses on disposal of capital assets or adjustments for excess depreciation claims. Effective October 1, 2000, a facility minimum property rate of \$8.13 shall be applied to all existing ICF/MR facilities. Facilities with a modified property payment rate effective September 30, 2000, which is below the minimum property rate shall receive an increase effective October 1, 2000, equal to the difference between the minimum property payment rate and the modified property payment rate in effect as of September 30, 2000. Facilities with a modified property payment rate at or above the minimum property payment rate effective September 30, 2000, shall receive the modified property payment rate effective October 1, 2000.

(b) Within the limits of appropriations specifically for this purpose, Facility property payment rates shall be increased annually for inflation, effective January 1, 2002. The increase shall be based on each facility's property payment rate in effect on September 30, 2000. Modified property payment rates effective September 30, 2000, shall be arrayed from highest to lowest before applying the minimum property payment rate in paragraph (a). For modified property payment rates at the 90th percentile or above, the annual inflation increase shall be zero. For modified property payment rates below the 90th percentile but equal to or above the 75th percentile, the annual inflation increase shall be one percent. For modified property payment rates below the 75th percentile, the annual inflation increase shall be two percent.

Sec. 16. Minnesota Statutes 2000, section 256B.5012, is amended by adding a subdivision to read:

Subd. 4. [ICF/MR RATE INCREASES BEGINNING JULY 1, 2001, AND JULY 1, 2002.] (a) For the rate years beginning July 1, 2001, and July 1, 2002, the commissioner shall make available to each facility reimbursed under this section an adjustment to the total operating payment rate of 3.5 percent. Of this adjustment, 2.5 percentage points must be used to provide an employee pay rate increase as provided under paragraph (b) and one percentage point must be used for operating costs.

(b) The adjustment under this paragraph must be used to increase the per-hour pay rate of all employees except administrative and central office employees by an equal dollar amount and to pay associated costs for FICA, the Medicare tax, workers' compensation premiums, and federal and state unemployment insurance, provided that this increase must be used only for wage increases implemented on or after the first day of the rate year and must not be used for wage increases implemented prior to that date.

(c) For each facility, the commissioner shall make available an adjustment using the percentage specified in paragraph (a) multiplied by the total payment rate, excluding the property-related payment rate, in effect on the preceding June 30. The total payment rate shall include the adjustment provided in section 256B.501, subdivision 12. Notwithstanding paragraph (a), for the rate increase effective July 1, 2001, the adjustment applied to the increase provided under section 256B.501, subdivision 12, shall be 6.125 percent.

(d) A facility whose payment rates are governed by closure agreements, receivership agreements, or Minnesota Rules, part 9553.0075, is not eligible for an adjustment otherwise granted under this subdivision.

(e) A facility may apply for the compensation-related payment rate adjustment provided under paragraph (b). The application must be made to the commissioner and contain a plan by which the facility will distribute the compensation-related portion of the payment rate adjustment to employees of the facility. For facilities in which the employees are represented by an exclusive bargaining representative, an agreement negotiated and agreed to by the employer and the exclusive bargaining representative constitutes the plan. A negotiated agreement may constitute the plan only if the agreement is finalized after the date of enactment of all rate increases for the rate year. The commissioner shall review the plan to ensure that the payment rate adjustment per

diem is used as provided in this subdivision. To be eligible, a facility must submit its plan for the compensation distribution by March 31, 2002, and March 31, 2003, respectively. If a facility's plan for compensation distribution is effective for its employees after the first day of the applicable rate year that the funds are available, the payment rate adjustment per diem is effective the same date as its plan.

(f) A copy of the approved distribution plan must be made available to all employees by giving each employee a copy or by posting it in an area of the facility to which all employees have access. If an employee does not receive the compensation adjustment described in the facility's approved plan and is unable to resolve the problem with the facility's management or through the employee's union representative, the employee may contact the commissioner at an address or telephone number provided by the commissioner and included in the approved plan.

Sec. 17. Minnesota Statutes 2000, section 626.557, subdivision 12b, is amended to read:

Subd. 12b. [DATA MANAGEMENT.] (a) [COUNTY DATA.] In performing any of the duties of this section as a lead agency, the county social service agency shall maintain appropriate records. Data collected by the county social service agency under this section are welfare data under section 13.46. Notwithstanding section 13.46, subdivision 1, paragraph (a), data under this paragraph that are inactive investigative data on an individual who is a vendor of services are private data on individuals, as defined in section 13.02. The identity of the reporter may only be disclosed as provided in paragraph (c).

Data maintained by the common entry point are confidential data on individuals or protected nonpublic data as defined in section 13.02. Notwithstanding section 138.163, the common entry point shall destroy data three calendar years after date of receipt.

(b) [LEAD AGENCY DATA.] The commissioners of health and human services shall prepare an investigation memorandum for each report alleging maltreatment investigated under this section. During an investigation by the commissioner of health or the commissioner of human services, data collected under this section are confidential data on individuals or protected nonpublic data as defined in section 13.02. Upon completion of the investigation, the data are classified as provided in clauses (1) to (3) and paragraph (c).

(1) The investigation memorandum must contain the following data, which are public:

- (i) the name of the facility investigated;
- (ii) a statement of the nature of the alleged maltreatment;
- (iii) pertinent information obtained from medical or other records reviewed;
- (iv) the identity of the investigator;
- (v) a summary of the investigation's findings;
- (vi) statement of whether the report was found to be substantiated, inconclusive, false, or that no determination will be made;
- (vii) a statement of any action taken by the facility;
- (viii) a statement of any action taken by the lead agency; and
- (ix) when a lead agency's determination has substantiated maltreatment, a statement of whether an individual, individuals, or a facility were responsible for the substantiated maltreatment, if known.

The investigation memorandum must be written in a manner which protects the identity of the reporter and of the vulnerable adult and may not contain the names or, to the extent possible, data on individuals or private data listed in clause (2).

(2) Data on individuals collected and maintained in the investigation memorandum are private data, including:

- (i) the name of the vulnerable adult;
- (ii) the identity of the individual alleged to be the perpetrator;
- (iii) the identity of the individual substantiated as the perpetrator; and
- (iv) the identity of all individuals interviewed as part of the investigation.

(3) Other data on individuals maintained as part of an investigation under this section are private data on individuals upon completion of the investigation.

(c) [IDENTITY OF REPORTER.] The subject of the report may compel disclosure of the name of the reporter only with the consent of the reporter or upon a written finding by a court that the report was false and there is evidence that the report was made in bad faith. This subdivision does not alter disclosure responsibilities or obligations under the rules of criminal procedure, except that where the identity of the reporter is relevant to a criminal prosecution, the district court shall do an in-camera review prior to determining whether to order disclosure of the identity of the reporter.

(d) [DESTRUCTION OF DATA.] Notwithstanding section 138.163, data maintained under this section by the commissioners of health and human services must be destroyed under the following schedule:

- (1) data from reports determined to be false, two years after the finding was made;
- (2) data from reports determined to be inconclusive, four years after the finding was made;
- (3) data from reports determined to be substantiated, seven years after the finding was made; and
- (4) data from reports which were not investigated by a lead agency and for which there is no final disposition, two years from the date of the report.

(e) [SUMMARY OF REPORTS.] The commissioners of health and human services shall each annually ~~prepare a summary of report to the legislature and the governor on the number and type of reports of alleged maltreatment involving licensed facilities reported under this section, the number of those requiring investigation under this section, and the resolution of those investigations.~~ The report shall identify:

- (1) whether and where backlogs of cases result in a failure to conform with statutory time frames;
- (2) where adequate coverage requires additional appropriations and staffing; and
- (3) any other trends that affect the safety of vulnerable adults.

(f) [RECORD RETENTION POLICY.] Each lead agency must have a record retention policy.

(g) [EXCHANGE OF INFORMATION.] Lead agencies, prosecuting authorities, and law enforcement agencies may exchange not public data, as defined in section 13.02, if the agency or authority requesting the data determines that the data are pertinent and necessary to the requesting agency in initiating, furthering, or completing an investigation under this section. Data collected under this section must be made available to prosecuting authorities and law enforcement officials, local county agencies, and licensing agencies investigating the alleged maltreatment under this section. The lead agency shall exchange not public data with the vulnerable adult maltreatment review panel established in section 256.021 if the data are pertinent and necessary for a review requested under that section. Upon completion of the review, not public data received by the review panel must be returned to the lead agency.

(h) [COMPLETION TIME.] Each lead agency shall keep records of the length of time it takes to complete its investigations.

(i) [NOTIFICATION OF OTHER AFFECTED PARTIES.] A lead agency may notify other affected parties and their authorized representative if the agency has reason to believe maltreatment has occurred and determines the information will safeguard the well-being of the affected parties or dispel widespread rumor or unrest in the affected facility.

(j) [FEDERAL REQUIREMENTS.] Under any notification provision of this section, where federal law specifically prohibits the disclosure of patient identifying information, a lead agency may not provide any notice unless the vulnerable adult has consented to disclosure in a manner which conforms to federal requirements.

Sec. 18. Laws 1999, chapter 245, article 3, section 45, as amended by Laws 2000, chapter 312, section 3, is amended to read:

Sec. 45. [STATE LICENSURE CONFLICTS WITH FEDERAL REGULATIONS.]

(a) Notwithstanding the provisions of Minnesota Rules, part 4658.0520, an incontinent resident must be checked according to a specific time interval written in the resident's care plan. The resident's attending physician must authorize in writing any interval longer than two hours unless the resident, if competent, or a family member or legally appointed conservator, guardian, or health care agent of a resident who is not competent, agrees in writing to waive physician involvement in determining this interval.

(b) This section expires July 1, 2001 2003.

Sec. 19. [DEVELOPMENT OF NEW NURSING FACILITY REIMBURSEMENT SYSTEM.]

(a) The commissioner of human services shall develop and report to the legislature by January 15, 2003, a system to replace the current nursing facility reimbursement system established under Minnesota Statutes, sections 256B.431, 256B.434, and 256B.435.

(b) The system must be developed in consultation with the long-term care task force and with representatives of consumers, providers, and labor unions. Within the limits of available appropriations, the commissioner may employ consultants to assist with this project.

(c) The new reimbursement system must:

(1) provide incentives to enhance quality of life and quality of care;

(2) recognize cost differences in the care of different types of populations, including subacute care and dementia care;

(3) establish rates that are sufficient without being excessive;

(4) be affordable for the state and for private-pay residents;

(5) be sensitive to changing conditions in the long-term care environment;

(6) avoid creating access problems related to insufficient funding;

(7) allow providers maximum flexibility in their business operations; and

(8) recognize the need for capital investment to improve physical plants.

(d) Notwithstanding Minnesota Statutes, section 256B.435, the commissioner must not implement a performance-based contracting system for nursing facilities prior to July 1, 2003. The commissioner shall continue to reimburse nursing facilities under Minnesota Statutes, section 256B.431 or 256B.434, until otherwise directed by law.

Sec. 20. [TIME MOTION STUDY.]

(a) The commissioner of human services shall conduct a time motion study to determine the amount of time devoted to the care of high-need nursing facility residents, including, but not

limited to, persons with Alzheimer's disease and other dementias, persons with multiple sclerosis, and persons with mental illness.

(b) The commissioner shall report the results of the study to the legislature by December 15, 2002, with an analysis of whether these costs are adequately reimbursed under the current reimbursement system and with recommendations for adjusting nursing facility reimbursement rates as necessary to account for these costs.

Sec. 21. [PROVIDER RATE INCREASES.]

(a) The commissioner of human services shall increase reimbursement rates by 3.5 percent each year of the biennium for the providers listed in paragraph (b). The increases are effective for services rendered on or after July 1 of each year.

(b) The rate increases described in this section must be provided to home and community-based waived services for:

(1) persons with mental retardation or related conditions under Minnesota Statutes, section 256B.501;

(2) home and community-based waived services for the elderly under Minnesota Statutes, section 256B.0915;

(3) waived services under community alternatives for disabled individuals under Minnesota Statutes, section 256B.49;

(4) community alternative care waived services under Minnesota Statutes, section 256B.49;

(5) traumatic brain injury waived services under Minnesota Statutes, section 256B.49;

(6) nursing services and home health services under Minnesota Statutes, section 256B.0625, subdivision 6a;

(7) personal care services and nursing supervision of personal care services under Minnesota Statutes, section 256B.0625, subdivision 19a;

(8) private duty nursing services under Minnesota Statutes, section 256B.0625, subdivision 7;

(9) day training and habilitation services for adults with mental retardation or related conditions under Minnesota Statutes, sections 252.40 to 252.46;

(10) alternative care services under Minnesota Statutes, section 256B.0913;

(11) adult residential program grants under Minnesota Rules, parts 9535.2000 to 9535.3000;

(12) adult and family community support grants under Minnesota Rules, parts 9535.1700 to 9535.1760;

(13) adult mental health integrated fund grants under Minnesota Statutes, section 245.4661;

(14) semi-independent living services under Minnesota Statutes, section 252.275, including SILS funding under county social services grants formerly funded under Minnesota Statutes, chapter 256I;

(15) community support services for deaf and hard-of-hearing adults with mental illness who use or wish to use sign language as their primary means of communication; and

(16) living skills training programs for persons with intractable epilepsy who need assistance in the transition to independent living.

(c) Providers that receive a rate increase under this section shall use one percentage point of the additional revenue for operating cost increases and 2.5 percentage points of the additional revenue to increase the per-hour pay rate of all employees other than the administrator and central office

staff by an equal dollar amount and to pay associated costs for FICA, the Medicare tax, workers' compensation premiums, and federal and state unemployment insurance. For public employees, the portion of this increase reserved to increase the per-hour pay rate for certain staff by an equal dollar amount is available and pay rates shall be increased only to the extent that they comply with laws governing public employees collective bargaining. Money received by a provider for pay increases under this section must be used only for wage increases implemented on or after the first day of the state fiscal year in which the increase is available and must not be used for wage increases implemented prior to that date.

(d) A copy of the provider's plan for complying with paragraph (c) must be made available to all employees by giving each employee a copy or by posting it in an area of the provider's operation to which all employees have access. If an employee does not receive the salary adjustment described in the plan and is unable to resolve the problem with the provider, the employee may contact the employee's union representative. If the employee is not covered by a collective bargaining agreement, the employee may contact the commissioner at a phone number provided by the commissioner and included in the provider's plan.

Sec. 22. [REGULATORY FLEXIBILITY.]

(a) By July 1, 2001, the commissioners of health and human services shall:

(1) develop a summary of federal nursing facility and community long-term care regulations that hamper state flexibility and place burdens on the goal of achieving high-quality care and optimum outcomes for consumers of services; and

(2) share this summary with the legislature, other states, national groups that advocate for state interests with Congress, and the Minnesota congressional delegation.

(b) The commissioners shall conduct ongoing follow-up with the entities to which this summary is provided and with the health care financing administration to achieve maximum regulatory flexibility, including the possibility of pilot projects to demonstrate regulatory flexibility on less than a statewide basis.

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

Sec. 23. [REPORT.]

By January 15, 2003, the commissioner of health and the commissioner of human services shall report to the senate health and family security committee and the house health and human services policy committee on the number of closures that have taken place under this article, alternatives to nursing facility care that have been developed, any problems with access to long-term care services that have resulted, and any recommendations for continuation of the regional long-term care planning process and the closure process after June 30, 2003.

Sec. 24. [STAFFING STANDARDS.]

By February 1, 2002, the commissioners of health and of human services, in consultation with long-term care consumers, advocates, unions, and trade associations, shall deliver to the governor and the legislature a plan for updating staffing standards in nursing facilities and home and community-based services. The plan must be guided by professional best practices, consumer experience, and new and emerging models of resident or client-centered staffing. The report must identify the magnitude of discrepancy between current staffing and best practices in Minnesota facilities and services. The report must also identify the costs associated with a three-year plan for improvement and the federal waivers or approvals, if any, that would be required to implement the plan.

Sec. 25. [NURSING ASSISTANT AND HOME HEALTH AIDE CURRICULUM.]

By January 1, 2003, the commissioner of health, in consultation with long-term care consumers, advocates, unions, and trade associations, must update the nursing assistant and home health aide curriculum (1998 edition) to help students learn front-line survival skills that support

job motivation and satisfaction. These skills include, but are not limited to, working with challenging behaviors; communication skills; stress management, including the impact of personal life stress in the work setting; building relationships with families; cultural competencies; and working with death and dying.

Sec. 26. [INNOVATIONS IN QUALITY DEMONSTRATION GRANTS.]

Subdivision 1. [PROGRAM ESTABLISHED.] The commissioner of health shall establish a long-term care grant program that demonstrates best practices and innovation for long-term care service delivery and housing. The grants must fund demonstrations that create new means and models for servicing the elderly or demonstrate creativity in service provision through the scope of their program or service.

Subd. 2. [ELIGIBILITY.] Grants may only be made to those who provide direct service or housing to the elderly within the state. Grants may only be made for projects that show innovations and measurable improvement in resident care, quality of life, use of technology, or customer satisfaction.

Subd. 3. [AWARDING OF GRANTS.] (a) Applications for grants must be made to the commissioner on forms prescribed by the commissioner.

(b) The applications must be reviewed, ranked, and recommended by a review panel. The review panel shall consist of two representatives from long-term care providers, two citizen members, two representatives from business, one member representing academia, and one state agency representative. The members shall be appointed by the governor.

(c) The review panel shall rank applications according to the following criteria:

- (1) improvement in direct care to residents;
- (2) increase in efficiency through the use of technology;
- (3) increase in quality of care through the use of technology;
- (4) increase in the access and delivery of service;
- (5) enhancement of nursing staff training;
- (6) the effectiveness of the project as a demonstration; and
- (7) the immediate transferability of the project to a larger scale.

(d) The commissioner shall award grants based on the recommendations of the panel. Grants for eligible projects may not exceed \$100,000.

Sec. 27. [REVISOR INSTRUCTION.]

The revisor of statutes shall delete any reference to Minnesota Statutes, section 144A.16, in Minnesota Statutes and Minnesota Rules.

Sec. 28. [APPROPRIATIONS.]

\$...... is appropriated from the general fund to the commissioner of human services for the biennium beginning July 1, 2001, for the purposes of this article.

Sec. 29. [REPEALER.]

(a) Minnesota Statutes 2000, section 144A.16, is repealed.

(b) Minnesota Rules, parts 4655.6810; 4655.6820; 4655.6830; 4658.1600; 4658.1605; 4658.1610; 4658.1690; 9546.0010; 9546.0020; 9546.0030; 9546.0040; 9546.0050; and 9546.0060, are repealed.

ARTICLE 3
WORKFORCE RECRUITMENT AND RETENTION

Section 1. Minnesota Statutes 2000, section 62D.04, subdivision 5, is amended to read:

Subd. 5. ~~[PARTICIPATION; GOVERNMENT PROGRAMS.]~~ Health maintenance organizations shall, as a condition of receiving and retaining a certificate of authority, participate in the medical assistance, general assistance medical care, and MinnesotaCare programs and the long-term care employee health insurance assistance program established under section 256.956. A health maintenance organization is required to submit proposals in good faith that meet the requirements of the request for proposal provided that the requirements can be reasonably met by a health maintenance organization to serve individuals eligible for the above programs in a geographic region of the state if, at the time of publication of a request for proposal, the percentage of recipients in the public programs in the region who are enrolled in the health maintenance organization is less than the health maintenance organization's percentage of the total number of individuals enrolled in health maintenance organizations in the same region. Geographic regions shall be defined by the commissioner of human services in the request for proposals.

[EFFECTIVE DATE.] This section is effective 90 days following approval of a federal waiver to receive enhanced matching funds under the state children's health insurance program.

Sec. 2. Minnesota Statutes 2000, section 116L.11, subdivision 4, is amended to read:

Subd. 4. ~~[QUALIFYING CONSORTIUM.] "Qualifying consortium" means an entity that may include includes a public or private institution of higher education, work force center, county, and one or more eligible employers, but must include a public or private institution of higher education and one or more eligible employers employer.~~

Sec. 3. Minnesota Statutes 2000, section 116L.12, subdivision 4, is amended to read:

Subd. 4. ~~[GRANTS.] Within the limits of available appropriations, the board shall make grants not to exceed \$400,000 each to qualifying consortia to operate local, regional, or statewide training and retention programs. Grants may be made from TANF funds, general fund appropriations, and any other funding sources available to the board, provided the requirements of those funding sources are satisfied. Grant awards must establish specific, measurable outcomes and timelines for achieving those outcomes.~~

Sec. 4. Minnesota Statutes 2000, section 116L.12, subdivision 5, is amended to read:

Subd. 5. ~~[LOCAL MATCH REQUIREMENTS.] A consortium must provide at least a 50 percent match from local resources for money appropriated under this section. The local match requirement must be satisfied on an overall program basis but need not be satisfied for each particular client. The local match requirement may be reduced for consortia that include a relatively large number of small employers whose financial contribution has been reduced in accordance with section 116L.15. In-kind services and expenditures under section 116L.13, subdivision 2, may be used to meet this local match requirement. The grant application must specify the financial contribution from each member of the consortium satisfy the match requirements established in section 116L.02, paragraph (a).~~

Sec. 5. Minnesota Statutes 2000, section 116L.13, subdivision 1, is amended to read:

Subdivision 1. ~~[MARKETING AND RECRUITMENT.] A qualifying consortium must implement a marketing and outreach strategy to recruit into the health care and human services fields persons from one or more of the potential employee target groups. Recruitment strategies must include:~~

(1) a screening process to evaluate whether potential employees may be disqualified as the result of a required background check or are otherwise unlikely to succeed in the position for which they are being recruited; and

(2) a process for modifying course work to meet the training needs of non-English-speaking persons, when appropriate.

Sec. 6. [116L.146] [EXPEDITED GRANT PROCESS.]

(a) The board may authorize grants not to exceed \$50,000 each through an expedited grant approval process to:

(1) eligible employers to provide training programs for up to 50 workers; or

(2) a public or private institution of higher education to:

(i) do predevelopment or curriculum development for training programs prior to submission for program funding under section 116L.12;

(ii) convert an existing curriculum for distance learning through interactive television or other communication methods; or

(iii) enable a training program to be offered when it would otherwise be canceled due to an enrollment shortfall of one or two students when the program is offered in a health-related field with a documented worker shortage and is part of a training program not exceeding two years in length.

(b) The board shall develop application procedures and evaluation policies for grants made under this section.

Sec. 7. Minnesota Statutes 2000, section 144.1464, is amended to read:

144.1464 [SUMMER HEALTH CARE INTERNS.]

Subdivision 1. [SUMMER INTERNSHIPS.] The commissioner of health, through a contract with a nonprofit organization as required by subdivision 4, shall award grants to hospitals and, clinics, nursing facilities, and home care providers to establish a secondary and post-secondary summer health care intern program. The purpose of the program is to expose interested secondary and post-secondary pupils to various careers within the health care profession.

Subd. 2. [CRITERIA.] (a) The commissioner, through the organization under contract, shall award grants to hospitals and, clinics, nursing facilities, and home care providers that agree to:

(1) provide secondary and post-secondary summer health care interns with formal exposure to the health care profession;

(2) provide an orientation for the secondary and post-secondary summer health care interns;

(3) pay one-half the costs of employing the secondary and post-secondary summer health care intern, based on an overall hourly wage that is at least the minimum wage but does not exceed \$6 an hour;

(4) interview and hire secondary and post-secondary pupils for a minimum of six weeks and a maximum of 12 weeks; and

(5) employ at least one secondary student for each post-secondary student employed, to the extent that there are sufficient qualifying secondary student applicants.

(b) In order to be eligible to be hired as a secondary summer health intern by a hospital or, clinic, nursing facility, or home care provider, a pupil must:

(1) intend to complete high school graduation requirements and be between the junior and senior year of high school; and

(2) be from a school district in proximity to the facility; and

~~(3) provide the facility with a letter of recommendation from a health occupations or science educator.~~

(c) In order to be eligible to be hired as a post-secondary summer health care intern by a hospital or clinic, a pupil must:

(1) intend to complete a health care training program or a two-year or four-year degree program and be planning on enrolling in or be enrolled in that training program or degree program; and

(2) be enrolled in a Minnesota educational institution or be a resident of the state of Minnesota; priority must be given to applicants from a school district or an educational institution in proximity to the facility; ~~and~~

~~(3) provide the facility with a letter of recommendation from a health occupations or science educator.~~

(d) Hospitals ~~and~~, clinics, nursing facilities, and home care providers awarded grants may employ pupils as secondary and post-secondary summer health care interns beginning on or after June 15, 1993, if they agree to pay the intern, during the period before disbursement of state grant money, with money designated as the facility's 50 percent contribution towards internship costs.

Subd. 3. [GRANTS.] The commissioner, through the organization under contract, shall award separate grants to hospitals ~~and~~, clinics, nursing facilities, and home care providers meeting the requirements of subdivision 2. The grants must be used to pay one-half of the costs of employing secondary and post-secondary pupils in a hospital ~~or~~, clinic, nursing facility, or home care setting during the course of the program. No more than 50 percent of the participants may be post-secondary students, unless the program does not receive enough qualified secondary applicants per fiscal year. No more than five pupils may be selected from any secondary or post-secondary institution to participate in the program and no more than one-half of the number of pupils selected may be from the seven-county metropolitan area.

Subd. 4. [CONTRACT.] The commissioner shall contract with a statewide, nonprofit organization representing facilities at which secondary and post-secondary summer health care interns will serve, to administer the grant program established by this section. Grant funds that are not used in one fiscal year may be carried over to the next fiscal year. The organization awarded the grant shall provide the commissioner with any information needed by the commissioner to evaluate the program, in the form and at the times specified by the commissioner.

Sec. 8. Minnesota Statutes 2000, section 144.1496, subdivision 1, is amended to read:

Subdivision 1. [CREATION OF THE ACCOUNT.] ~~An Education account~~ accounts in the health care access fund is ~~and the general fund~~ are established for a loan forgiveness program for nurses who agree to practice nursing in a nursing home or intermediate care facility for persons with mental retardation or related conditions. ~~The account consists~~ accounts consist of money appropriated by the legislature and repayments and penalties collected under subdivision 4. Money from the ~~account~~ accounts must be used for a loan forgiveness program.

Sec. 9. Minnesota Statutes 2000, section 144.1496, subdivision 3, is amended to read:

Subd. 3. [LOAN FORGIVENESS.] The commissioner may accept up to ~~ten~~ 170 applicants a year with payments for the first ten applicants accepted to be made out of the health care access fund education account and payment for the remaining applicants accepted to be made out of the general fund education account. Applicants are responsible for securing their own loans. For each year of nursing education, for up to two years, applicants accepted into the loan forgiveness program may designate an agreed amount, not to exceed \$3,000, as a qualified loan. For each year that a participant practices nursing in a nursing home or intermediate care facility for persons with mental retardation or related conditions, up to a maximum of two years, the commissioner shall annually repay an amount equal to one year of qualified loans. Participants who move from one nursing home or intermediate care facility for persons with mental retardation or related conditions to another remain eligible for loan repayment.

Sec. 10. Minnesota Statutes 2000, section 144.1496, subdivision 4, is amended to read:

Subd. 4. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the service

commitment required under subdivision 3 for full repayment of all qualified loans, the commissioner shall collect from the participant 100 percent of any payments made for qualified loans and interest at a rate established according to section 270.75. The commissioner shall deposit the collections in the health care access fund or the general fund, as applicable, to be credited to the ~~account~~ accounts established in subdivision 1. The commissioner may grant a waiver of all or part of the money owed as a result of a nonfulfillment penalty if emergency circumstances prevented fulfillment of the required service commitment.

Sec. 11. [144.1499] [PROMOTION OF HEALTH CARE AND LONG-TERM CARE CAREERS.]

The commissioner of health, in consultation with an organization representing health care employers, long-term care employers, and educational institutions, may make grants to qualifying consortia as defined in section 116L.11, subdivision 4, for intergenerational programs to encourage middle and high school students to work and volunteer in health care and long-term care settings. To qualify for a grant under this section, a consortium shall:

(1) develop a health and long-term care careers curriculum that provides career exploration and training in national skill standards for health care and long-term care and that is consistent with Minnesota graduation standards and other related requirements;

(2) offer programs for high school students that provide training in health and long-term care careers with credits that articulate into post-secondary programs; and

(3) provide technical support to the participating health care and long-term care employer to enable the use of the employer's facilities and programs for K-12 health and long-term care careers education.

Sec. 12. [256.956] [LONG-TERM CARE EMPLOYEE HEALTH INSURANCE ASSISTANCE PROGRAM.]

Subdivision 1. [DEFINITIONS.] (a) For the purpose of this section, the definitions have the meanings given them.

(b) "Commissioner" means the commissioner of human services.

(c) "Dependent" means an unmarried child who is under the age of 19 years. For the purpose of this definition, a dependent includes a child for whom an eligible employee or an eligible employee's spouse has been appointed legal guardian or an adopted child as defined under section 62A.27. A dependent does not include:

(1) a child of an eligible employee who is eligible for health coverage through medical assistance without a spenddown or through an employer-subsidized health plan where an employer other than the employer of the eligible employee pays at least 50 percent of the cost of coverage for the child; or

(2) a child of an eligible employee who is excluded from coverage under title XXI of the Social Security Act, United States Code, title 42, section 1397aa et seq.

(d) "Eligible employee" means an individual employed by an employer in a position other than as an administrator or in the central office, and includes both full-time and part-time employees. An "employee" does not include an individual who:

(1) works on a temporary or substitute basis;

(2) is hired as an independent contractor; or

(3) is a state employee.

(e) "Employer" means any of the following:

(1) a nursing facility reimbursed under section 256B.431 or 256B.434;

(2) a facility reimbursed under sections 256B.501 and 256B.5011 and Laws 1993, First Special Session chapter 1, article 4, section 11; or

(3) a provider who meets the following requirements:

(i) provides home and community-based waived services for persons with mental retardation or related conditions under section 256B.501; home and community-based waived services for the elderly under section 256B.0915; waived services under community alternatives for disabled individuals under section 256B.49; community alternative care waived services under section 256B.49; traumatic brain injury waived services under section 256B.49; nursing services and home health services under section 256B.0625, subdivision 6a; personal care services and nursing supervision of personal care services under section 256B.0625, subdivision 19a; private duty nursing services under section 256B.0625, subdivision 7; day training and habilitation services for adults with mental retardation or related conditions under sections 252.40 to 252.46; alternative care services under section 256B.0913; adult residential program grants under Minnesota Rules, parts 9535.2000 to 9535.3000; adult and family community support grants under Minnesota Rules, parts 9535.1700 to 9535.1760; semi-independent living services under section 252.275, including SILS funding under county social services grants formerly funded under chapter 256I; community support services for deaf and hard-of-hearing adults with mental illness who use or wish to use sign language as their primary means of communication; or living skills training programs for persons with intractable epilepsy who need assistance in the transition to independent living; and

(ii) the revenue received by the provider from medical assistance that equals or exceeds 20 percent of the total revenue received by the provider from all payment sources.

Employer includes both for-profit and nonprofit entities.

(f) "Program" means the long-term care employee health insurance assistance program.

Subd. 2. [PROGRAM.] (a) The commissioner shall establish and administer the long-term care employee health insurance assistance program to provide the advantages of pooling for the purchase of health coverage for long-term care employers.

(b) The commissioner shall solicit bids from health maintenance organizations licensed under chapter 62D to provide health coverage to the dependents of eligible employees. Coverage shall be offered on a guaranteed-issue and renewal basis. No health maintenance organization is required to provide coverage to an eligible employee's dependent who does not reside within the health maintenance organization's approved service area.

(c) The commissioner shall, consistent with the provisions of this section, determine coverage options, premium arrangements, contractual arrangements, and all other matters necessary to administer the program.

(d) The commissioner may extend the program to include coverage for the eligible employee and noneligible employee. The cost of coverage for these employees shall be the responsibility of the employer or employee.

(e) The commissioner shall consult with representatives of the long-term care industry on issues related to the administration of the program.

Subd. 3. [EMPLOYER REQUIREMENTS.] (a) All employers may participate in the program subject to the requirements of this section. The commissioner shall establish procedures for an employer to apply for coverage through this program. These procedures may include requiring eligible employees to provide relevant financial information to determine the eligibility of their dependents.

(b) A participating employer must offer dependent coverage to all employees. For purposes of this paragraph, dependent includes the children excluded under subdivision 1, paragraph (c).

(c) The participating employer must provide to the commissioner any employee information deemed necessary by the commissioner to determine eligibility and premium payments and must notify the commissioner upon a change in an employee's or an employee's dependent's eligibility.

(d) The initial term of the employer's coverage must be for at least one year but may be made automatically renewable from term to term in the absence of notice of termination by either the employer or the commissioner.

Subd. 4. [INDIVIDUAL ELIGIBILITY.] (a) The commissioner may require a probationary period for new employees of no more than 90 days before the dependents of a new employee become eligible for coverage through the program.

(b) A participating employer may elect to offer coverage through the program to:

(1) the eligible and noneligible employees, if the program is extended by the commissioner to include these individuals;

(2) children of eligible and noneligible employees who are under the age of 25 years and who are full-time students; and

(3) the spouses of eligible and noneligible employees.

The cost of coverage for the individuals described in this paragraph, the dependents of noneligible employees, and any child of an eligible or noneligible employee who is not considered a dependent in accordance with subdivision 1, paragraph (c), shall be the responsibility of the employer or employee.

(c) The commissioner may require a certain percentage of participation of the individuals described in paragraph (b) before coverage can be offered through the program.

Subd. 5. [COVERAGE.] (a) The health plan offered must meet all applicable requirements of chapters 62A and 62D and sections 62J.71 to 62J.73; 62M.01 to 62M.16; 62Q.1055; 62Q.106; 62Q.12; 62Q.135; 62Q.14; 62Q.145; 62Q.19; 62Q.23; 62Q.43; 62Q.47; 62Q.52 to 62Q.58; and 62Q.68 to 62Q.73.

(b) The health plan offered must meet all underwriting requirements of chapter 62L and must provide periodic open enrollments for eligible employees where a choice in coverage exists.

(c) The commissioner shall establish the benefits to be provided under this program in accordance with the following:

(1) the benefits provided must comply with title XXI of the Social Security Act, United States Code, title 42, section 1397aa et seq., and be at least equivalent to the lowest benchmark allowable under title XXI;

(2) preventive and restorative dental services must be included; and

(3) there shall be no deductibles, co-payments, or coinsurance requirements.

(d) The health plan requirements described in paragraph (c) apply only to coverage offered to the dependents of eligible employees.

Subd. 6. [PREMIUMS.] (a) The commissioner shall determine premium rates and rating methods for the coverage offered through the program.

(b) The commissioner shall pay the premiums for the dependents of eligible employees directly to the health maintenance organization.

(c) Payment of any remaining premiums must be collected by the participating employer and paid directly to the health maintenance organization.

(d) Any premiums paid by the state under this section are not subject to taxes or surcharges imposed under chapter 297I, chapter 295, or section 256.9657 and shall be excluded when determining a health maintenance organization's total premium under section 62E.11.

[EFFECTIVE DATE.] This section is effective 90 days following approval of a federal waiver to receive enhanced matching funds under the state children's health insurance program.

Sec. 13. Minnesota Statutes 2000, section 256B.431, is amended by adding a subdivision to read:

Subd. 31. [EMPLOYEE SCHOLARSHIP COSTS AND TRAINING IN ENGLISH AS A SECOND LANGUAGE.] (a) For the rate year beginning July 1, 2001, the commissioner shall provide to each nursing facility reimbursed under this section, section 256B.434, or any other section an adjustment of 25 cents to the total operating payment rate to be used:

(1) for employee scholarships that satisfy the following requirements:

(i) scholarships are available to all employees who work an average of at least 20 hours per week at the facility except the administrator, department supervisors, registered nurses, and licensed practical nurses; and

(ii) the course of study is expected to lead to employment in a health-related career, including medical care interpreter services and social work; and

(2) to provide job-related training on the job site in English as a second language.

(b) A facility receiving a rate adjustment under this subdivision must report to the commissioner on a form supplied by the commissioner the following information: the amount received from this rate adjustment; the amount used for training in English as a second language; the number of persons receiving the training; the name of the person or entity providing the training; and for each scholarship recipient, the name of the recipient, the amount awarded, the educational institution attended, the nature of the educational program, and the program completion date.

(c) Amounts spent by a facility for scholarships or for training in English as a second language that satisfy the requirements of this subdivision shall be included in the facility's total payment rates for the purposes of determining future rates under this section, section 256B.434, or any other section.

Sec. 14. Minnesota Statutes 2000, section 256B.5012, is amended by adding a subdivision to read:

Subd. 4. [EMPLOYEE SCHOLARSHIP COSTS.] (a) For the rate year beginning July 1, 2001, the commissioner shall provide to each facility reimbursed under this section an adjustment of 25 cents to the total payment rate to be used:

(1) for employee scholarships that satisfy the following requirements:

(i) scholarships are available to all employees who work an average of at least 20 hours per week at the facility except the administrator, department supervisors, registered nurses, and licensed practical nurses; and

(ii) the course of study is expected to lead to employment in a health-related career, including medical care interpreter services and social work; and

(2) to provide job-related training on the job site in English as a second language.

(b) A facility receiving a rate adjustment under this subdivision must report to the commissioner on a form supplied by the commissioner the following information: the amount received from this rate adjustment; the amount used for training in English as a second language; the number of persons receiving the training; the name of the person or entity providing the training; and for each scholarship recipient, the name of the recipient, the amount awarded, the educational institution attended, the nature of the educational program, and the program completion date.

(c) Amounts spent by a facility for scholarships or for training in English as a second language that satisfy the requirements of this subdivision shall be included in the facility's total payment rates for the purposes of determining future rates under this section or any other section.

Sec. 15. Minnesota Statutes 2000, section 256L.07, subdivision 2, is amended to read:

Subd. 2. [MUST NOT HAVE ACCESS TO EMPLOYER-SUBSIDIZED COVERAGE.] (a) To be eligible, a family or individual must not have access to subsidized health coverage through an employer and must not have had access to employer-subsidized coverage through a current employer for 18 months prior to application or reapplication. A family or individual whose employer-subsidized coverage is lost due to an employer terminating health care coverage as an employee benefit during the previous 18 months is not eligible.

(b) For purposes of this requirement, subsidized health coverage means health coverage for which the employer pays at least 50 percent of the cost of coverage for the employee or dependent, or a higher percentage as specified by the commissioner. Children are eligible for employer-subsidized coverage through either parent, including the noncustodial parent. Children who are eligible for coverage under the long-term care employee health insurance assistance program established under section 256.956 are considered to have access to subsidized health coverage under this subdivision. The commissioner must treat employer contributions to Internal Revenue Code Section 125 plans and any other employer benefits intended to pay health care costs as qualified employer subsidies toward the cost of health coverage for employees for purposes of this subdivision.

[EFFECTIVE DATE.] This section is effective 90 days following approval of a federal waiver to receive enhanced matching funds under the state children's health insurance program.

Sec. 16. [EMPLOYEE SCHOLARSHIP COSTS.]

(a) The commissioner of human services shall increase reimbursement rates by .25 percent for the providers listed in paragraph (d), effective for services rendered on or after July 1, 2001, to be used:

(1) for employee scholarships that satisfy the following requirements:

(i) scholarships are available to all employees who work an average of at least 20 hours per week at the facility except the administrator, department supervisors, registered nurses, and licensed practical nurses; and

(ii) the course of study is expected to lead to employment in a health-related career, including medical care interpreter services and social work; and

(2) to provide job-related training on the job site in English as a second language.

(b) A provider receiving a rate adjustment under this subdivision must report to the commissioner on a form supplied by the commissioner the following information: the amount received from this rate adjustment; the amount used for training in English as a second language; the number of persons receiving the training; the name of the person or entity providing the training; and for each scholarship recipient, the name of the recipient, the amount awarded, the educational institution attended, the nature of the educational program, and the program completion date.

(c) Amounts spent by a provider for scholarships or for training in English as a second language that satisfy the requirements of this section shall be included in the provider's total payment rates for the purposes of determining future rates.

(d) The rate increases described in this section shall be provided to home and community-based waived services for persons with mental retardation or related conditions under Minnesota Statutes, section 256B.501; home and community-based waived services for the elderly under Minnesota Statutes, section 256B.0915; waived services under community alternatives for disabled individuals under Minnesota Statutes, section 256B.49; community alternative care waived services under Minnesota Statutes, section 256B.49; traumatic brain injury waived services under Minnesota Statutes, section 256B.49; nursing services and home health services under Minnesota Statutes, section 256B.0625, subdivision 6a; personal care services and nursing supervision of personal care services under Minnesota Statutes, section 256B.0625, subdivision

19a; private duty nursing services under Minnesota Statutes, section 256B.0625, subdivision 7; day training and habilitation services for adults with mental retardation or related conditions under Minnesota Statutes, sections 252.40 to 252.46; alternative care services under Minnesota Statutes, section 256B.0913; adult residential program grants under Minnesota Rules, parts 9535.2000 to 9535.3000; adult and family community support grants under Minnesota Rules, parts 9535.1700 to 9535.1760; adult mental health integrated fund grants under Minnesota Statutes, section 245.4661; semi-independent living services under Minnesota Statutes, section 252.275, including SILS funding under county social services grants formerly funded under Minnesota Statutes, chapter 256I; community support services for deaf and hard-of-hearing adults with mental illness who use or wish to use sign language as their primary means of communication; and living skills training programs for persons with intractable epilepsy who need assistance in the transition to independent living.

Sec. 17. [CHIP WAIVER.]

The commissioner of human services shall seek all waivers necessary to obtain enhanced matching funds under the state children's health insurance program established as title XXI of the Social Security Act, United States Code, title 42, section 1397aa et seq.

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

Sec. 18. [S-CHIP ALLOTMENT.]

Upon federal approval of the waiver required under section 4, the commissioner shall claim eligible expenditures against Minnesota's available funding under the state children's health insurance program in the following order:

- (1) expenditures made according to Minnesota Statutes, section 256B.057, subdivision 8;
- (2) expenditures for outreach and other state or local expenditures that are authorized to be claimed under Laws 1998, chapter 407, article 5, section 46;
- (3) expenditures under the long-term care employee health insurance assistance program; and
- (4) expenditures that may be eligible for matching funds under S-CHIP that otherwise may be claimed as Medicaid expenditures.

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

Sec. 19. [APPROPRIATIONS.]

Subdivision 1. [SUMMER HEALTH CARE INTERN PROGRAM.] \$..... is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 2003, to expand eligibility for the summer health care intern program and to increase the number of internships funded.

Subd. 2. [NURSE LOAN FORGIVENESS PROGRAM.] \$..... is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 2003, to expand the nurse loan forgiveness program.

Subd. 3. [SCHOLARSHIPS AND ENGLISH AS A SECOND LANGUAGE TRAINING.] \$..... is appropriated from the general fund to the commissioner of human services for the biennium beginning July 1, 2001, for the purposes of sections 13, 14, and 16.

Subd. 4. [MINNESOTA JOB SKILLS.] \$..... is appropriated from the general fund to the Minnesota job skills partnership board for the biennium ending June 30, 2003, to fund the health care and human services worker training program.

Subd. 5. [LONG-TERM CARE EMPLOYEE HEALTH INSURANCE ASSISTANCE PROGRAM.] \$..... is appropriated in the biennium ending June 30, 2003, from the general fund to the commissioner of human services for the long-term care employee health insurance assistance program.

Sec. 20. [REPEALER.]

Minnesota Statutes 2000, sections 116L.10; and 116L.12, subdivisions 2 and 7, are repealed.

ARTICLE 4

REGULATION OF SUPPLEMENTAL NURSING SERVICES AGENCIES

Section 1. Minnesota Statutes 2000, section 144.057, is amended to read:

144.057 [BACKGROUND STUDIES ON LICENSEES AND SUPPLEMENTAL NURSING SERVICES AGENCY PERSONNEL.]

Subdivision 1. [BACKGROUND STUDIES REQUIRED.] The commissioner of health shall contract with the commissioner of human services to conduct background studies of:

(1) individuals providing services which have direct contact, as defined under section 245A.04, subdivision 3, with patients and residents in hospitals, boarding care homes, outpatient surgical centers licensed under sections 144.50 to 144.58; nursing homes and home care agencies licensed under chapter 144A; residential care homes licensed under chapter 144B, and board and lodging establishments that are registered to provide supportive or health supervision services under section 157.17; and

(2) beginning July 1, 1999, all other employees in nursing homes licensed under chapter 144A, and boarding care homes licensed under sections 144.50 to 144.58. A disqualification of an individual in this section shall disqualify the individual from positions allowing direct contact or access to patients or residents receiving services;

(3) individuals employed by a supplemental nursing services agency, as defined under section 144A.70, who are providing services in health care facilities; and

(4) controlling persons of a supplemental nursing services agency, as defined under section 144A.70.

If a facility or program is licensed by the department of human services and subject to the background study provisions of chapter 245A and is also licensed by the department of health, the department of human services is solely responsible for the background studies of individuals in the jointly licensed programs.

Subd. 2. [RESPONSIBILITIES OF DEPARTMENT OF HUMAN SERVICES.] The department of human services shall conduct the background studies required by subdivision 1 in compliance with the provisions of chapter 245A and Minnesota Rules, parts 9543.3000 to 9543.3090. For the purpose of this section, the term "residential program" shall include all facilities described in subdivision 1. The department of human services shall provide necessary forms and instructions, shall conduct the necessary background studies of individuals, and shall provide notification of the results of the studies to the facilities, supplemental nursing services agencies, individuals, and the commissioner of health. Individuals shall be disqualified under the provisions of chapter 245A and Minnesota Rules, parts 9543.3000 to 9543.3090. If an individual is disqualified, the department of human services shall notify the facility, the supplemental nursing services agency, and the individual and shall inform the individual of the right to request a reconsideration of the disqualification by submitting the request to the department of health.

Subd. 3. [RECONSIDERATIONS.] The commissioner of health shall review and decide reconsideration requests, including the granting of variances, in accordance with the procedures and criteria contained in chapter 245A and Minnesota Rules, parts 9543.3000 to 9543.3090. The commissioner's decision shall be provided to the individual and to the department of human services. The commissioner's decision to grant or deny a reconsideration of disqualification is the final administrative agency action.

Subd. 4. [RESPONSIBILITIES OF FACILITIES AND AGENCIES.] Facilities and agencies described in subdivision 1 shall be responsible for cooperating with the departments in

implementing the provisions of this section. The responsibilities imposed on applicants and licensees under chapter 245A and Minnesota Rules, parts 9543.3000 to 9543.3090, shall apply to these facilities and supplemental nursing services agencies. The provision of section 245A.04, subdivision 3, paragraph (e), shall apply to applicants, licensees, registrants, or an individual's refusal to cooperate with the completion of the background studies. Supplemental nursing services agencies subject to the registration requirements in section 144A.71 must maintain records verifying compliance with the background study requirements under this section.

Sec. 2. [144A.70] [REGISTRATION OF SUPPLEMENTAL NURSING SERVICES AGENCIES; DEFINITIONS.]

Subdivision 1. [SCOPE.] As used in sections 144A.70 to 144A.74, the terms defined in this section have the meanings given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of health.

Subd. 3. [CONTROLLING PERSON.] "Controlling person" means a business entity, officer, program administrator, or director whose responsibilities include the direction of the management or policies of a supplemental nursing services agency. Controlling person also means an individual who, directly or indirectly, beneficially owns an interest in a corporation, partnership, or other business association that is a controlling person.

Subd. 4. [HEALTH CARE FACILITY.] "Health care facility" means a hospital, boarding care home, or outpatient surgical center licensed under sections 144.50 to 144.58; a nursing home or home care agency licensed under chapter 144A; a housing with services establishment registered under chapter 144D; or a board and lodging establishment that is registered to provide supportive or health supervision services under section 157.17.

Subd. 5. [PERSON.] "Person" includes an individual, firm, corporation, partnership, or association.

Subd. 6. [SUPPLEMENTAL NURSING SERVICES AGENCY.] "Supplemental nursing services agency" means a person, firm, corporation, partnership, or association engaged for hire in the business of providing or procuring temporary employment in health care facilities for nurses, nursing assistants, nurse aides, and orderlies. Supplemental nursing services agency does not include an individual who only engages in providing the individual's services on a temporary basis to health care facilities. Supplemental nursing services agency also does not include any nursing service agency that is limited to providing temporary nursing personnel solely to one or more health care facilities owned or operated by the same person, firm, corporation, or partnership.

Sec. 3. [144A.71] [SUPPLEMENTAL NURSING SERVICES AGENCY REGISTRATION.]

Subdivision 1. [DUTY TO REGISTER.] A person who operates a supplemental nursing services agency shall register the agency with the commissioner. Each separate location of the business of a supplemental nursing services agency shall register the agency with the commissioner. Each separate location of the business of a supplemental nursing services agency shall have a separate registration.

Subd. 2. [APPLICATION INFORMATION AND FEE.] The commissioner shall establish forms and procedures for processing each supplemental nursing services agency registration application. An application for a supplemental nursing services agency registration must include at least the following:

(1) the names and addresses of the owner or owners of the supplemental nursing services agency;

(2) if the owner is a corporation, copies of its articles of incorporation and current bylaws, together with the names and addresses of its officers and directors;

(3) any other relevant information that the commissioner determines is necessary to properly evaluate an application for registration; and

(4) the annual registration fee for a supplemental nursing services agency, which is \$.....

Subd. 3. [REGISTRATION NOT TRANSFERABLE.] A registration issued by the commissioner according to this section is effective for a period of one year from the date of its issuance unless the registration is revoked or suspended under section 144A.72, subdivision 2, or unless the supplemental nursing services agency is sold or ownership or management is transferred. When a supplemental nursing services agency is sold or ownership or management is transferred, the registration of the agency must be voided and the new owner or operator may apply for a new registration.

Sec. 4. [144A.72] [REGISTRATION REQUIREMENTS; PENALTIES.]

Subdivision 1. [MINIMUM CRITERIA.] The commissioner shall require that, as a condition of registration:

(1) the supplemental nursing services agency shall document that each temporary employee provided to health care facilities currently meets the minimum licensing, training, and continuing education standards for the position in which the employee will be working;

(2) the supplemental nursing services agency shall comply with all pertinent requirements relating to the health and other qualifications of personnel employed in health care facilities;

(3) the supplemental nursing services agency must not restrict in any manner the employment opportunities of its employees;

(4) the supplemental nursing services agency, when supplying temporary employees to a health care facility, and when requested by the facility to do so, shall agree that at least 30 percent of the total personnel hours supplied are during night, holiday, or weekend shifts;

(5) the supplemental nursing services agency shall carry medical malpractice insurance to insure against the loss, damage, or expense incident to a claim arising out of the death or injury of any person as the result of negligence or malpractice in the provision of health care services by the supplemental nursing services agency or by any employee of the agency; and

(6) the supplemental nursing services agency must not, in any contract with any employee or health care facility, require the payment of liquidated damages, employment fees, or other compensation should the employee be hired as a permanent employee of a health care facility.

Subd. 2. [PENALTIES.] Violations of section 144A.74 are subject to a fine equal to 200 percent of the amount billed or received in excess of the maximum permitted under that section.

Sec. 5. [144A.73] [COMPLAINT SYSTEM.]

The commissioner shall establish a system for reporting complaints against a supplemental nursing services agency or its employees. Complaints may be made by any member of the public. Written complaints must be forwarded to the employer of each person against whom a complaint is made. The employer shall promptly report to the commissioner any corrective action taken.

Sec. 6. [144A.74] [MAXIMUM CHARGES.]

A supplemental nursing services agency must not bill or receive payments from a health care facility at a rate higher than 150 percent of the average wage rate by employee classification as identified by the commissioner of economic security. The maximum rate must include all charges for administrative fees, contract fees, or other special charges in addition to the hourly rates for the temporary nursing pool personnel supplied to a nursing home.

Sec. 7. Minnesota Statutes 2000, section 245A.04, subdivision 3, is amended to read:

Subd. 3. [BACKGROUND STUDY OF THE APPLICANT; DEFINITIONS.] (a) Before the commissioner issues a license, the commissioner shall conduct a study of the individuals specified in paragraph (e) (d), clauses (1) to (5), according to rules of the commissioner.

Beginning January 1, 1997, the commissioner shall also conduct a study of employees providing direct contact services for nonlicensed personal care provider organizations described in paragraph (e) (d), clause (5).

The commissioner shall recover the cost of these background studies through a fee of no more than \$12 per study charged to the personal care provider organization.

Beginning August 1, 1997, the commissioner shall conduct all background studies required under this chapter for adult foster care providers who are licensed by the commissioner of human services and registered under chapter 144D. The commissioner shall conduct these background studies in accordance with this chapter. The commissioner shall initiate a pilot project to conduct up to 5,000 background studies under this chapter in programs with joint licensure as home and community-based services and adult foster care for people with developmental disabilities when the license holder does not reside in the foster care residence.

(b) Beginning July 1, 1998, the commissioner shall conduct a background study on individuals specified in paragraph (e) (d), clauses (1) to (5), who perform direct contact services in a nursing home or a home care agency licensed under chapter 144A or a boarding care home licensed under sections 144.50 to 144.58, when the subject of the study resides outside Minnesota; the study must be at least as comprehensive as that of a Minnesota resident and include a search of information from the criminal justice data communications network in the state where the subject of the study resides.

(c) Beginning August 1, 2001, the commissioner shall conduct all background studies required under this chapter and initiated by supplemental nursing services agencies registered under chapter 144A. Studies for the agencies must be initiated annually by each agency. The commissioner shall conduct the background studies according to this chapter. The commissioner shall recover the cost of the background studies through a fee of no more than \$..... per study, charged to the supplemental nursing services agency.

(d) The applicant, license holder, the registrant, bureau of criminal apprehension, the commissioner of health, and county agencies, after written notice to the individual who is the subject of the study, shall help with the study by giving the commissioner criminal conviction data and reports about the maltreatment of adults substantiated under section 626.557 and the maltreatment of minors in licensed programs substantiated under section 626.556. The individuals to be studied shall include:

- (1) the applicant;
- (2) persons over the age of 13 living in the household where the licensed program will be provided;
- (3) current employees or contractors of the applicant who will have direct contact with persons served by the facility, agency, or program;
- (4) volunteers or student volunteers who have direct contact with persons served by the program to provide program services, if the contact is not directly supervised by the individuals listed in clause (1) or (3); and
- (5) any person who, as an individual or as a member of an organization, exclusively offers, provides, or arranges for personal care assistant services under the medical assistance program as authorized under sections 256B.04, subdivision 16, and 256B.0625, subdivision 19a.

The juvenile courts shall also help with the study by giving the commissioner existing juvenile court records on individuals described in clause (2) relating to delinquency proceedings held within either the five years immediately preceding the application or the five years immediately preceding the individual's 18th birthday, whichever time period is longer. The commissioner shall destroy juvenile records obtained pursuant to this subdivision when the subject of the records reaches age 23.

For purposes of this section and Minnesota Rules, part 9543.3070, a finding that a delinquency petition is proven in juvenile court shall be considered a conviction in state district court.

For purposes of this subdivision, "direct contact" means providing face-to-face care, training, supervision, counseling, consultation, or medication assistance to persons served by a program. For purposes of this subdivision, "directly supervised" means an individual listed in clause (1), (3), or (5) is within sight or hearing of a volunteer to the extent that the individual listed in clause (1), (3), or (5) is capable at all times of intervening to protect the health and safety of the persons served by the program who have direct contact with the volunteer.

A study of an individual in clauses (1) to (5) shall be conducted at least upon application for initial license or registration and reapplication for a license or registration. The commissioner is not required to conduct a study of an individual at the time of reapplication for a license or if the individual has been continuously affiliated with a foster care provider licensed by the commissioner of human services and registered under chapter 144D, other than a family day care or foster care license, if: (i) a study of the individual was conducted either at the time of initial licensure or when the individual became affiliated with the license holder; (ii) the individual has been continuously affiliated with the license holder since the last study was conducted; and (iii) the procedure described in paragraph ~~(d)~~ (e) has been implemented and was in effect continuously since the last study was conducted. For the purposes of this section, a physician licensed under chapter 147 is considered to be continuously affiliated upon the license holder's receipt from the commissioner of health or human services of the physician's background study results. For individuals who are required to have background studies under clauses (1) to (5) and who have been continuously affiliated with a foster care provider that is licensed in more than one county, criminal conviction data may be shared among those counties in which the foster care programs are licensed. A county agency's receipt of criminal conviction data from another county agency shall meet the criminal data background study requirements of this section.

The commissioner may also conduct studies on individuals specified in clauses (3) and (4) when the studies are initiated by:

- (i) personnel pool agencies;
- (ii) temporary personnel agencies;
- (iii) educational programs that train persons by providing direct contact services in licensed programs; and
- (iv) professional services agencies that are not licensed and which contract with licensed programs to provide direct contact services or individuals who provide direct contact services.

Studies on individuals in items (i) to (iv) must be initiated annually by these agencies, programs, and individuals. Except for personal care provider organizations and supplemental nursing services agencies, no applicant, license holder, or individual who is the subject of the study shall pay any fees required to conduct the study.

(1) At the option of the licensed facility, rather than initiating another background study on an individual required to be studied who has indicated to the licensed facility that a background study by the commissioner was previously completed, the facility may make a request to the commissioner for documentation of the individual's background study status, provided that:

- (i) the facility makes this request using a form provided by the commissioner;
- (ii) in making the request the facility informs the commissioner that either:
 - (A) the individual has been continuously affiliated with a licensed facility since the individual's previous background study was completed, or since October 1, 1995, whichever is shorter; or
 - (B) the individual is affiliated only with a personnel pool agency, a temporary personnel agency, an educational program that trains persons by providing direct contact services in licensed programs, or a professional services agency that is not licensed and which contracts with licensed programs to provide direct contact services or individuals who provide direct contact services; and
- (iii) the facility provides notices to the individual as required in paragraphs (a) to ~~(d)~~ (e), and

that the facility is requesting written notification of the individual's background study status from the commissioner.

(2) The commissioner shall respond to each request under paragraph (1) with a written or electronic notice to the facility and the study subject. If the commissioner determines that a background study is necessary, the study shall be completed without further request from a licensed agency or notifications to the study subject.

(3) When a background study is being initiated by a licensed facility or a foster care provider that is also registered under chapter 144D, a study subject affiliated with multiple licensed facilities may attach to the background study form a cover letter indicating the additional facilities' names, addresses, and background study identification numbers. When the commissioner receives such notices, each facility identified by the background study subject shall be notified of the study results. The background study notice sent to the subsequent agencies shall satisfy those facilities' responsibilities for initiating a background study on that individual.

(d) (e) If an individual who is affiliated with a program or facility regulated by the department of human services or department of health or who is affiliated with a nonlicensed personal care provider organization, is convicted of a crime constituting a disqualification under subdivision 3d, the probation officer or corrections agent shall notify the commissioner of the conviction. The commissioner, in consultation with the commissioner of corrections, shall develop forms and information necessary to implement this paragraph and shall provide the forms and information to the commissioner of corrections for distribution to local probation officers and corrections agents. The commissioner shall inform individuals subject to a background study that criminal convictions for disqualifying crimes will be reported to the commissioner by the corrections system. A probation officer, corrections agent, or corrections agency is not civilly or criminally liable for disclosing or failing to disclose the information required by this paragraph. Upon receipt of disqualifying information, the commissioner shall provide the notifications required in subdivision 3a, as appropriate to agencies on record as having initiated a background study or making a request for documentation of the background study status of the individual. This paragraph does not apply to family day care and child foster care programs.

(e) (f) The individual who is the subject of the study must provide the applicant or license holder with sufficient information to ensure an accurate study including the individual's first, middle, and last name; home address, city, county, and state of residence for the past five years; zip code; sex; date of birth; and driver's license number. The applicant or license holder shall provide this information about an individual in paragraph (e) (d), clauses (1) to (5), on forms prescribed by the commissioner. By January 1, 2000, for background studies conducted by the department of human services, the commissioner shall implement a system for the electronic transmission of: (1) background study information to the commissioner; and (2) background study results to the license holder. The commissioner may request additional information of the individual, which shall be optional for the individual to provide, such as the individual's social security number or race.

(f) (g) Except for child foster care, adult foster care, and family day care homes, a study must include information related to names of substantiated perpetrators of maltreatment of vulnerable adults that has been received by the commissioner as required under section 626.557, subdivision 9c, paragraph (i), and the commissioner's records relating to the maltreatment of minors in licensed programs, information from juvenile courts as required in paragraph (e) (d) for persons listed in paragraph (e) (d), clause (2), and information from the bureau of criminal apprehension. For child foster care, adult foster care, and family day care homes, the study must include information from the county agency's record of substantiated maltreatment of adults, and the maltreatment of minors, information from juvenile courts as required in paragraph (e) (d) for persons listed in paragraph (e) (d), clause (2), and information from the bureau of criminal apprehension. The commissioner may also review arrest and investigative information from the bureau of criminal apprehension, the commissioner of health, a county attorney, county sheriff, county agency, local chief of police, other states, the courts, or the Federal Bureau of Investigation if the commissioner has reasonable cause to believe the information is pertinent to the disqualification of an individual listed in paragraph (e) (d), clauses (1) to (5). The commissioner is

not required to conduct more than one review of a subject's records from the Federal Bureau of Investigation if a review of the subject's criminal history with the Federal Bureau of Investigation has already been completed by the commissioner and there has been no break in the subject's affiliation with the license holder who initiated the background studies.

When the commissioner has reasonable cause to believe that further pertinent information may exist on the subject, the subject shall provide a set of classifiable fingerprints obtained from an authorized law enforcement agency. For purposes of requiring fingerprints, the commissioner shall be considered to have reasonable cause under, but not limited to, the following circumstances:

(1) information from the bureau of criminal apprehension indicates that the subject is a multistate offender;

(2) information from the bureau of criminal apprehension indicates that multistate offender status is undetermined; or

(3) the commissioner has received a report from the subject or a third party indicating that the subject has a criminal history in a jurisdiction other than Minnesota.

~~(g)~~ (h) An applicant's ~~or~~, license holder's, or registrant's failure or refusal to cooperate with the commissioner is reasonable cause to disqualify a subject, deny a license application or immediately suspend, suspend, or revoke a license or registration. Failure or refusal of an individual to cooperate with the study is just cause for denying or terminating employment of the individual if the individual's failure or refusal to cooperate could cause the applicant's application to be denied or the license holder's license to be immediately suspended, suspended, or revoked.

~~(h)~~ (i) The commissioner shall not consider an application to be complete until all of the information required to be provided under this subdivision has been received.

~~(i)~~ (j) No person in paragraph ~~(e)~~ (d), clause (1), (2), (3), (4), or (5), who is disqualified as a result of this section may be retained by the agency in a position involving direct contact with persons served by the program.

~~(j)~~ (k) Termination of persons in paragraph ~~(e)~~ (d), clause (1), (2), (3), (4), or (5), made in good faith reliance on a notice of disqualification provided by the commissioner shall not subject the applicant or license holder to civil liability.

~~(k)~~ (l) The commissioner may establish records to fulfill the requirements of this section.

~~(l)~~ (m) The commissioner may not disqualify an individual subject to a study under this section because that person has, or has had, a mental illness as defined in section 245.462, subdivision 20.

~~(m)~~ (n) An individual subject to disqualification under this subdivision has the applicable rights in subdivision 3a, 3b, or 3c.

~~(n)~~ (o) For the purposes of background studies completed by tribal organizations performing licensing activities otherwise required of the commissioner under this chapter, after obtaining consent from the background study subject, tribal licensing agencies shall have access to criminal history data in the same manner as county licensing agencies and private licensing agencies under this chapter.

Sec. 8. Minnesota Statutes 2000, section 245A.04, subdivision 3a, is amended to read:

Subd. 3a. [NOTIFICATION TO SUBJECT AND LICENSE HOLDER OF STUDY RESULTS; DETERMINATION OF RISK OF HARM.] (a) The commissioner shall notify the applicant ~~or~~, license holder, or registrant and the individual who is the subject of the study, in writing or by electronic transmission, of the results of the study. When the study is completed, a notice that the study was undertaken and completed shall be maintained in the personnel files of the program. For studies on individuals pertaining to a license to provide family day care or group family day care, foster care for children in the provider's own home, or foster care or day care services for adults in the provider's own home, the commissioner is not required to provide a

separate notice of the background study results to the individual who is the subject of the study unless the study results in a disqualification of the individual.

The commissioner shall notify the individual studied if the information in the study indicates the individual is disqualified from direct contact with persons served by the program. The commissioner shall disclose the information causing disqualification and instructions on how to request a reconsideration of the disqualification to the individual studied. An applicant or license holder who is not the subject of the study shall be informed that the commissioner has found information that disqualifies the subject from direct contact with persons served by the program. However, only the individual studied must be informed of the information contained in the subject's background study unless the only basis for the disqualification is failure to cooperate, the Data Practices Act provides for release of the information, or the individual studied authorizes the release of the information.

(b) If the commissioner determines that the individual studied has a disqualifying characteristic, the commissioner shall review the information immediately available and make a determination as to the subject's immediate risk of harm to persons served by the program where the individual studied will have direct contact. The commissioner shall consider all relevant information available, including the following factors in determining the immediate risk of harm: the recency of the disqualifying characteristic; the recency of discharge from probation for the crimes; the number of disqualifying characteristics; the intrusiveness or violence of the disqualifying characteristic; the vulnerability of the victim involved in the disqualifying characteristic; and the similarity of the victim to the persons served by the program where the individual studied will have direct contact. The commissioner may determine that the evaluation of the information immediately available gives the commissioner reason to believe one of the following:

(1) The individual poses an imminent risk of harm to persons served by the program where the individual studied will have direct contact. If the commissioner determines that an individual studied poses an imminent risk of harm to persons served by the program where the individual studied will have direct contact, the individual and the license holder must be sent a notice of disqualification. The commissioner shall order the license holder to immediately remove the individual studied from direct contact. The notice to the individual studied must include an explanation of the basis of this determination.

(2) The individual poses a risk of harm requiring continuous supervision while providing direct contact services during the period in which the subject may request a reconsideration. If the commissioner determines that an individual studied poses a risk of harm that requires continuous supervision, the individual and the license holder must be sent a notice of disqualification. The commissioner shall order the license holder to immediately remove the individual studied from direct contact services or assure that the individual studied is within sight or hearing of another staff person when providing direct contact services during the period in which the individual may request a reconsideration of the disqualification. If the individual studied does not submit a timely request for reconsideration, or the individual submits a timely request for reconsideration, but the disqualification is not set aside for that license holder, the license holder will be notified of the disqualification and ordered to immediately remove the individual from any position allowing direct contact with persons receiving services from the license holder.

(3) The individual does not pose an imminent risk of harm or a risk of harm requiring continuous supervision while providing direct contact services during the period in which the subject may request a reconsideration. If the commissioner determines that an individual studied does not pose a risk of harm that requires continuous supervision, only the individual must be sent a notice of disqualification. The license holder must be sent a notice that more time is needed to complete the individual's background study. If the individual studied submits a timely request for reconsideration, and if the disqualification is set aside for that license holder, the license holder will receive the same notification received by license holders in cases where the individual studied has no disqualifying characteristic. If the individual studied does not submit a timely request for reconsideration, or the individual submits a timely request for reconsideration, but the disqualification is not set aside for that license holder, the license holder will be notified of the disqualification and ordered to immediately remove the individual from any position allowing direct contact with persons receiving services from the license holder.

(c) County licensing agencies performing duties under this subdivision may develop an alternative system for determining the subject's immediate risk of harm to persons served by the program, providing the notices under paragraph (b), and documenting the action taken by the county licensing agency. Each county licensing agency's implementation of the alternative system is subject to approval by the commissioner. Notwithstanding this alternative system, county licensing agencies shall complete the requirements of paragraph (a).

Sec. 9. Minnesota Statutes 2000, section 245A.04, subdivision 3b, is amended to read:

Subd. 3b. [RECONSIDERATION OF DISQUALIFICATION.] (a) The individual who is the subject of the disqualification may request a reconsideration of the disqualification.

The individual must submit the request for reconsideration to the commissioner in writing. A request for reconsideration for an individual who has been sent a notice of disqualification under subdivision 3a, paragraph (b), clause (1) or (2), must be submitted within 30 calendar days of the disqualified individual's receipt of the notice of disqualification. A request for reconsideration for an individual who has been sent a notice of disqualification under subdivision 3a, paragraph (b), clause (3), must be submitted within 15 calendar days of the disqualified individual's receipt of the notice of disqualification. Removal of a disqualified individual from direct contact shall be ordered if the individual does not request reconsideration within the prescribed time, and for an individual who submits a timely request for reconsideration, if the disqualification is not set aside. The individual must present information showing that:

(1) the information the commissioner relied upon is incorrect or inaccurate. If the basis of a reconsideration request is that a maltreatment determination or disposition under section 626.556 or 626.557 is incorrect, and the commissioner has issued a final order in an appeal of that determination or disposition under section 256.045, the commissioner's order is conclusive on the issue of maltreatment; or

(2) the subject of the study does not pose a risk of harm to any person served by the applicant ~~or~~, license holder, or registrant.

(b) The commissioner may set aside the disqualification under this section if the commissioner finds that the information the commissioner relied upon is incorrect or the individual does not pose a risk of harm to any person served by the applicant ~~or~~, license holder, or registrant. In determining that an individual does not pose a risk of harm, the commissioner shall consider the consequences of the event or events that lead to disqualification, whether there is more than one disqualifying event, the vulnerability of the victim at the time of the event, the time elapsed without a repeat of the same or similar event, documentation of successful completion by the individual studied of training or rehabilitation pertinent to the event, and any other information relevant to reconsideration. In reviewing a disqualification under this section, the commissioner shall give preeminent weight to the safety of each person to be served by the license holder ~~or~~, applicant, or registrant over the interests of the license holder ~~or~~, applicant, or registrant.

(c) Unless the information the commissioner relied on in disqualifying an individual is incorrect, the commissioner may not set aside the disqualification of an individual in connection with a license to provide family day care for children, foster care for children in the provider's own home, or foster care or day care services for adults in the provider's own home if:

(1) less than ten years have passed since the discharge of the sentence imposed for the offense; and the individual has been convicted of a violation of any offense listed in sections 609.20 (manslaughter in the first degree), 609.205 (manslaughter in the second degree), criminal vehicular homicide under 609.21 (criminal vehicular homicide and injury), 609.215 (aiding suicide or aiding attempted suicide), felony violations under 609.221 to 609.2231 (assault in the first, second, third, or fourth degree), 609.713 (terroristic threats), 609.235 (use of drugs to injure or to facilitate crime), 609.24 (simple robbery), 609.245 (aggravated robbery), 609.25 (kidnapping), 609.255 (false imprisonment), 609.561 or 609.562 (arson in the first or second degree), 609.71 (riot), burglary in the first or second degree under 609.582 (burglary), 609.66 (dangerous weapon), 609.665 (spring guns), 609.67 (machine guns and short-barreled shotguns), 609.749 (harassment; stalking), 152.021 or 152.022 (controlled substance crime in the first or

second degree), 152.023, subdivision 1, clause (3) or (4), or subdivision 2, clause (4) (controlled substance crime in the third degree), 152.024, subdivision 1, clause (2), (3), or (4) (controlled substance crime in the fourth degree), 609.224, subdivision 2, paragraph (c) (fifth-degree assault by a caregiver against a vulnerable adult), 609.228 (great bodily harm caused by distribution of drugs), 609.23 (mistreatment of persons confined), 609.231 (mistreatment of residents or patients), 609.2325 (criminal abuse of a vulnerable adult), 609.233 (criminal neglect of a vulnerable adult), 609.2335 (financial exploitation of a vulnerable adult), 609.234 (failure to report), 609.265 (abduction), 609.2664 to 609.2665 (manslaughter of an unborn child in the first or second degree), 609.267 to 609.2672 (assault of an unborn child in the first, second, or third degree), 609.268 (injury or death of an unborn child in the commission of a crime), 617.293 (disseminating or displaying harmful material to minors), a gross misdemeanor offense under 609.324, subdivision 1 (other prohibited acts), a gross misdemeanor offense under 609.378 (neglect or endangerment of a child), a gross misdemeanor offense under 609.377 (malicious punishment of a child), 609.72, subdivision 3 (disorderly conduct against a vulnerable adult); or an attempt or conspiracy to commit any of these offenses, as each of these offenses is defined in Minnesota Statutes; or an offense in any other state, the elements of which are substantially similar to the elements of any of the foregoing offenses;

(2) regardless of how much time has passed since the discharge of the sentence imposed for the offense, the individual was convicted of a violation of any offense listed in sections 609.185 to 609.195 (murder in the first, second, or third degree), 609.2661 to 609.2663 (murder of an unborn child in the first, second, or third degree), a felony offense under 609.377 (malicious punishment of a child), a felony offense under 609.324, subdivision 1 (other prohibited acts), a felony offense under 609.378 (neglect or endangerment of a child), 609.322 (solicitation, inducement, and promotion of prostitution), 609.342 to 609.345 (criminal sexual conduct in the first, second, third, or fourth degree), 609.352 (solicitation of children to engage in sexual conduct), 617.246 (use of minors in a sexual performance), 617.247 (possession of pictorial representations of a minor), 609.365 (incest), a felony offense under sections 609.2242 and 609.2243 (domestic assault), a felony offense of spousal abuse, a felony offense of child abuse or neglect, a felony offense of a crime against children, or an attempt or conspiracy to commit any of these offenses as defined in Minnesota Statutes, or an offense in any other state, the elements of which are substantially similar to any of the foregoing offenses;

(3) within the seven years preceding the study, the individual committed an act that constitutes maltreatment of a child under section 626.556, subdivision 10e, and that resulted in substantial bodily harm as defined in section 609.02, subdivision 7a, or substantial mental or emotional harm as supported by competent psychological or psychiatric evidence; or

(4) within the seven years preceding the study, the individual was determined under section 626.557 to be the perpetrator of a substantiated incident of maltreatment of a vulnerable adult that resulted in substantial bodily harm as defined in section 609.02, subdivision 7a, or substantial mental or emotional harm as supported by competent psychological or psychiatric evidence.

In the case of any ground for disqualification under clauses (1) to (4), if the act was committed by an individual other than the applicant ~~or~~, license holder, or registrant residing in the applicant's ~~or~~, license holder's, or registrant's home, the applicant ~~or~~, license holder, or registrant may seek reconsideration when the individual who committed the act no longer resides in the home.

The disqualification periods provided under clauses (1), (3), and (4) are the minimum applicable disqualification periods. The commissioner may determine that an individual should continue to be disqualified from licensure or registration because the license holder ~~or~~, registrant, or applicant poses a risk of harm to a person served by that individual after the minimum disqualification period has passed.

(d) The commissioner shall respond in writing or by electronic transmission to all reconsideration requests for which the basis for the request is that the information relied upon by the commissioner to disqualify is incorrect or inaccurate within 30 working days of receipt of a request and all relevant information. If the basis for the request is that the individual does not pose a risk of harm, the commissioner shall respond to the request within 15 working days after

receiving the request for reconsideration and all relevant information. If the disqualification is set aside, the commissioner shall notify the applicant or license holder in writing or by electronic transmission of the decision.

(e) Except as provided in subdivision 3c, the commissioner's decision to disqualify an individual, including the decision to grant or deny a rescission or set aside a disqualification under this section, is the final administrative agency action and shall not be subject to further review in a contested case under chapter 14 involving a negative licensing appeal taken in response to the disqualification or involving an accuracy and completeness appeal under section 13.04.

Sec. 10. Minnesota Statutes 2000, section 245A.04, subdivision 3d, is amended to read:

Subd. 3d. [DISQUALIFICATION.] (a) Except as provided in paragraph (b), when a background study completed under subdivision 3 shows any of the following: a conviction of one or more crimes listed in clauses (1) to (4); the individual has admitted to or a preponderance of the evidence indicates the individual has committed an act or acts that meet the definition of any of the crimes listed in clauses (1) to (4); or an administrative determination listed under clause (4), the individual shall be disqualified from any position allowing direct contact with persons receiving services from the license holder or registrant:

(1) regardless of how much time has passed since the discharge of the sentence imposed for the offense, and unless otherwise specified, regardless of the level of the conviction, the individual was convicted of any of the following offenses: sections 609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.2661 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third degree); 609.322 (solicitation, inducement, and promotion of prostitution); 609.342 (criminal sexual conduct in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree); 609.352 (solicitation of children to engage in sexual conduct); 609.365 (incest); felony offense under 609.377 (malicious punishment of a child); a felony offense under 609.378 (neglect or endangerment of a child); a felony offense under 609.324, subdivision 1 (other prohibited acts); 617.246 (use of minors in sexual performance prohibited); 617.247 (possession of pictorial representations of minors); a felony offense under sections 609.2242 and 609.2243 (domestic assault), a felony offense of spousal abuse, a felony offense of child abuse or neglect, a felony offense of a crime against children; or attempt or conspiracy to commit any of these offenses as defined in Minnesota Statutes, or an offense in any other state or country, where the elements are substantially similar to any of the offenses listed in this clause;

(2) if less than 15 years have passed since the discharge of the sentence imposed for the offense; and the individual has received a felony conviction for a violation of any of these offenses: sections 609.20 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); 609.21 (criminal vehicular homicide and injury); 609.215 (suicide); 609.221 to 609.2231 (assault in the first, second, third, or fourth degree); repeat offenses under 609.224 (assault in the fifth degree); repeat offenses under 609.3451 (criminal sexual conduct in the fifth degree); 609.713 (terroristic threats); 609.235 (use of drugs to injure or facilitate crime); 609.24 (simple robbery); 609.245 (aggravated robbery); 609.25 (kidnapping); 609.255 (false imprisonment); 609.561 (arson in the first degree); 609.562 (arson in the second degree); 609.563 (arson in the third degree); repeat offenses under 617.23 (indecent exposure; penalties); repeat offenses under 617.241 (obscene materials and performances; distribution and exhibition prohibited; penalty); 609.71 (riot); 609.66 (dangerous weapons); 609.67 (machine guns and short-barreled shotguns); 609.749 (harassment; stalking; penalties); 609.228 (great bodily harm caused by distribution of drugs); 609.2325 (criminal abuse of a vulnerable adult); 609.2664 (manslaughter of an unborn child in the first degree); 609.2665 (manslaughter of an unborn child in the second degree); 609.267 (assault of an unborn child in the first degree); 609.2671 (assault of an unborn child in the second degree); 609.268 (injury or death of an unborn child in the commission of a crime); 609.52 (theft); 609.2335 (financial exploitation of a vulnerable adult); 609.521 (possession of shoplifting gear); 609.582 (burglary); 609.625 (aggravated forgery); 609.63 (forgery); 609.631 (check forgery; offering a forged check); 609.635 (obtaining signature by false pretense); 609.27

(coercion); 609.275 (attempt to coerce); 609.687 (adulteration); 260C.301 (grounds for termination of parental rights); and chapter 152 (drugs; controlled substance). An attempt or conspiracy to commit any of these offenses, as each of these offenses is defined in Minnesota Statutes; or an offense in any other state or country, the elements of which are substantially similar to the elements of the offenses in this clause. If the individual studied is convicted of one of the felonies listed in this clause, but the sentence is a gross misdemeanor or misdemeanor disposition, the lookback period for the conviction is the period applicable to the disposition, that is the period for gross misdemeanors or misdemeanors;

(3) if less than ten years have passed since the discharge of the sentence imposed for the offense; and the individual has received a gross misdemeanor conviction for a violation of any of the following offenses: sections 609.224 (assault in the fifth degree); 609.2242 and 609.2243 (domestic assault); violation of an order for protection under 518B.01, subdivision 14; 609.3451 (criminal sexual conduct in the fifth degree); repeat offenses under 609.746 (interference with privacy); repeat offenses under 617.23 (indecent exposure); 617.241 (obscene materials and performances); 617.243 (indecent literature, distribution); 617.293 (harmful materials; dissemination and display to minors prohibited); 609.71 (riot); 609.66 (dangerous weapons); 609.749 (harassment; stalking; penalties); 609.224, subdivision 2, paragraph (c) (assault in the fifth degree by a caregiver against a vulnerable adult); 609.23 (mistreatment of persons confined); 609.231 (mistreatment of residents or patients); 609.2325 (criminal abuse of a vulnerable adult); 609.233 (criminal neglect of a vulnerable adult); 609.2335 (financial exploitation of a vulnerable adult); 609.234 (failure to report maltreatment of a vulnerable adult); 609.72, subdivision 3 (disorderly conduct against a vulnerable adult); 609.265 (abduction); 609.378 (neglect or endangerment of a child); 609.377 (malicious punishment of a child); 609.324, subdivision 1a (other prohibited acts; minor engaged in prostitution); 609.33 (disorderly house); 609.52 (theft); 609.582 (burglary); 609.631 (check forgery; offering a forged check); 609.275 (attempt to coerce); or an attempt or conspiracy to commit any of these offenses, as each of these offenses is defined in Minnesota Statutes; or an offense in any other state or country, the elements of which are substantially similar to the elements of any of the offenses listed in this clause. If the defendant is convicted of one of the gross misdemeanors listed in this clause, but the sentence is a misdemeanor disposition, the lookback period for the conviction is the period applicable to misdemeanors; or

(4) if less than seven years have passed since the discharge of the sentence imposed for the offense; and the individual has received a misdemeanor conviction for a violation of any of the following offenses: sections 609.224 (assault in the fifth degree); 609.2242 (domestic assault); violation of an order for protection under 518B.01 (Domestic Abuse Act); violation of an order for protection under 609.3232 (protective order authorized; procedures; penalties); 609.746 (interference with privacy); 609.79 (obscene or harassing phone calls); 609.795 (letter, telegram, or package; opening; harassment); 617.23 (indecent exposure; penalties); 609.2672 (assault of an unborn child in the third degree); 617.293 (harmful materials; dissemination and display to minors prohibited); 609.66 (dangerous weapons); 609.665 (spring guns); 609.2335 (financial exploitation of a vulnerable adult); 609.234 (failure to report maltreatment of a vulnerable adult); 609.52 (theft); 609.27 (coercion); or an attempt or conspiracy to commit any of these offenses, as each of these offenses is defined in Minnesota Statutes; or an offense in any other state or country, the elements of which are substantially similar to the elements of any of the offenses listed in this clause; failure to make required reports under section 626.556, subdivision 3, or 626.557, subdivision 3, for incidents in which: (i) the final disposition under section 626.556 or 626.557 was substantiated maltreatment, and (ii) the maltreatment was recurring or serious; or substantiated serious or recurring maltreatment of a minor under section 626.556 or of a vulnerable adult under section 626.557 for which there is a preponderance of evidence that the maltreatment occurred, and that the subject was responsible for the maltreatment.

For the purposes of this section, "serious maltreatment" means sexual abuse; maltreatment resulting in death; or maltreatment resulting in serious injury which reasonably requires the care of a physician whether or not the care of a physician was sought; or abuse resulting in serious injury. For purposes of this section, "abuse resulting in serious injury" means: bruises, bites, skin laceration or tissue damage; fractures; dislocations; evidence of internal injuries; head injuries with loss of consciousness; extensive second-degree or third-degree burns and other burns for

which complications are present; extensive second-degree or third-degree frostbite, and others for which complications are present; irreversible mobility or avulsion of teeth; injuries to the eyeball; ingestion of foreign substances and objects that are harmful; near drowning; and heat exhaustion or sunstroke. For purposes of this section, "care of a physician" is treatment received or ordered by a physician, but does not include diagnostic testing, assessment, or observation. For the purposes of this section, "recurring maltreatment" means more than one incident of maltreatment for which there is a preponderance of evidence that the maltreatment occurred, and that the subject was responsible for the maltreatment.

(b) If the subject of a background study is licensed by a health-related licensing board, the board shall make the determination regarding a disqualification under this subdivision based on a finding of substantiated maltreatment under section 626.556 or 626.557. The commissioner shall notify the health-related licensing board if a background study shows that a licensee would be disqualified because of substantiated maltreatment and the board shall make a determination under section 214.104.

Sec. 11. [256B.039] [REPORTING OF SUPPLEMENTAL NURSING SERVICES AGENCY USE.]

Beginning July 1, 2001, the commissioner shall require health care facilities, as defined in section 144A.70, subdivision 4, to report semiannually the following information on the use of supplemental nursing services, in the form and manner specified by the commissioner:

(1) number of hours worked by supplemental nursing services agency personnel, by job classification, for each month;

(2) payments to supplemental nursing services agencies, on a per-hour worked basis, by job classification, for each month; and

(3) percentage of total monthly work hours provided by supplemental nursing services agency personnel, by job classification, for each shift and for weekdays and weekends.

Sec. 12. [APPROPRIATION.]

\$...... is appropriated from the general fund to the commissioner of health for the biennium beginning July 1, 2001, to regulate supplemental nursing services agencies.

ARTICLE 5

LONG-TERM CARE INSURANCE

Section 1. Minnesota Statutes 2000, section 62A.02, is amended by adding a subdivision to read:

Subd. 8. [LONG-TERM CARE INSURANCE; INITIAL FILING.] (a) This subdivision applies to any long-term care policy issued in this state on or after January 1, 2002, under sections 62A.46 to 62A.56 or under chapter 62S.

(b) An insurer shall provide the following information to the commissioner 30 days prior to making a long-term care insurance form available for sale:

(1) a copy of the disclosure documents required in section 62S.081; and

(2) an actuarial certification consisting of at least the following:

(i) a statement that the initial premium rate schedule is sufficient to cover anticipated costs under moderately adverse experience and that the premium rate schedule is reasonably expected to be sustainable over the life of the form with no future premium increases anticipated;

(ii) a statement that the policy design and coverage provided have been reviewed and taken into consideration;

(iii) a statement that the underwriting and claims adjudication processes have been reviewed and taken into consideration;

(iv) a complete description of the basis for contract reserves that are anticipated to be held under the form, to include:

(A) sufficient detail or sample calculations provided so as to have a complete depiction of the reserve amounts to be held;

(B) a statement that the assumptions used for reserves contain reasonable margins for adverse experience;

(C) a statement that the net valuation premium for renewal years does not increase, except for attained-age rating where permitted;

(D) a statement that the difference between the gross premium and the net valuation premium for renewal years is sufficient to cover expected renewal expenses, or if such a statement cannot be made, a complete description of the situations where this does not occur. An aggregate distribution of anticipated issues may be used as long as the underlying gross premiums maintain a reasonably consistent relationship. If the gross premiums for certain age groups appear to be inconsistent with this requirement, the commissioner may request a demonstration under item (i) based on a standard age distribution; and

(E) either a statement that the premium rate schedule is not less than the premium rate schedule for existing similar policy forms also available from the insurer except for reasonable differences attributable to benefits, or a comparison of the premium schedules for similar policy forms that are currently available from the insurer with an explanation of the differences.

(c) The commissioner may request an actuarial demonstration that benefits are reasonable in relation to premiums. The actuarial demonstration shall include either premium and claim experience on similar policy forms, adjusted for any premium or benefit differences, relevant and credible data from other studies, or both. If the commissioner asks for additional information under this paragraph, the period in paragraph (b) does not include the period during which the insurer is preparing the requested information.

Sec. 2. Minnesota Statutes 2000, section 62A.48, is amended by adding a subdivision to read:

Subd. 10. [REGULATION OF PREMIUM INCREASES.] Policies issued under sections 62A.46 to 62A.56 must comply with sections 62S.081, 62S.265, and 62S.266.

Sec. 3. Minnesota Statutes 2000, section 62A.48, is amended by adding a subdivision to read:

Subd. 11. [NONFORFEITURE BENEFITS.] Policies issued under sections 62A.46 to 62A.56 must comply with section 62S.02, subdivision 2.

Sec. 4. Minnesota Statutes 2000, section 62S.01, is amended by adding a subdivision to read:

Subd. 13a. [EXCEPTIONAL INCREASE.] "Exceptional increase" means only those increases filed by an insurer as exceptional for which the commissioner determines the need for the premium rate increase is justified due to changes in laws or rules applicable to long-term care coverage in this state, or due to increased and unexpected utilization that affects the majority of insurers of similar products.

Except as provided in section 62S.265, exceptional increases are subject to the same requirements as other premium rate schedule increases. The commissioner may request a review by an independent actuary or a professional actuarial body of the basis for a request that an increase be considered an exceptional increase. The commissioner, in determining that the necessary basis for an exceptional increase exists, shall also determine any potential offsets to higher claims costs.

Sec. 5. [62S.081] [REQUIRED DISCLOSURE OF RATING PRACTICES TO CONSUMERS.]

Subdivision 1. [APPLICATION.] This section shall apply as follows:

(a) Except as provided in paragraph (b), this section applies to any long-term care policy or certificate issued in this state on or after January 1, 2002.

(b) For certificates issued on or after the effective date of this section under a policy of group long-term care insurance as defined in section 62S.01, subdivision 15, that was in force on the effective date of this section, this section applies on the policy anniversary following June 30, 2002.

Subd. 2. [REQUIRED DISCLOSURES.] Other than policies for which no applicable premium rate or rate schedule increases can be made, insurers shall provide all of the information listed in this subdivision to the applicant at the time of application or enrollment, unless the method of application does not allow for delivery at that time. In such a case, an insurer shall provide all of the information listed in this subdivision to the applicant no later than at the time of delivery of the policy or certificate:

(1) a statement that the policy may be subject to rate increases in the future;

(2) an explanation of potential future premium rate revisions and the policyholder's or certificate holder's option in the event of a premium rate revision;

(3) the premium rate or rate schedules applicable to the applicant that will be in effect until a request is made for an increase;

(4) a general explanation for applying premium rate or rate schedule adjustments that must include:

(i) a description of when premium rate or rate schedule adjustments will be effective, for example the next anniversary date or the next billing date; and

(ii) the right to a revised premium rate or rate schedule as provided in clause (3) if the premium rate or rate schedule is changed;

(5)(i) information regarding each premium rate increase on this policy form or similar policy forms over the past ten years for this state or any other state that, at a minimum, identifies:

(A) the policy forms for which premium rates have been increased;

(B) the calendar years when the form was available for purchase; and

(C) the amount or percent of each increase. The percentage may be expressed as a percentage of the premium rate prior to the increase and may also be expressed as minimum and maximum percentages if the rate increase is variable by rating characteristics;

(ii) the insurer may, in a fair manner, provide additional explanatory information related to the rate increases;

(iii) an insurer has the right to exclude from the disclosure premium rate increases that apply only to blocks of business acquired from other nonaffiliated insurers or the long-term care policies acquired from other nonaffiliated insurers when those increases occurred prior to the acquisition;

(iv) if an acquiring insurer files for a rate increase on a long-term care policy form acquired from nonaffiliated insurers or a block of policy forms acquired from nonaffiliated insurers on or before the later of the effective date of this section, or the end of a 24-month period following the acquisition of the block or policies, the acquiring insurer may exclude that rate increase from the disclosure. However, the nonaffiliated selling company must include the disclosure of that rate increase in accordance with item (i); and

(v) if the acquiring insurer in item (iv) files for a subsequent rate increase, even within the 24-month period, on the same policy form acquired from nonaffiliated insurers or block of policy forms acquired from nonaffiliated insurers referenced in item (iv), the acquiring insurer shall make all disclosures required by this paragraph, including disclosure of the earlier rate increase referenced in item (iv).

Subd. 3. [ACKNOWLEDGMENT.] An applicant shall sign an acknowledgment at the time of application, unless the method of application does not allow for signature at that time, that the insurer made the disclosure required under subdivision 2. If, due to the method of application, the applicant cannot sign an acknowledgment at the time of application, the applicant shall sign no later than at the time of delivery of the policy or certificate.

Subd. 4. [FORMS.] An insurer shall use the forms in Appendices B and F of the Long-term Care Insurance Model Regulation adopted by the National Association of Insurance Commissioners to comply with the requirements of subdivisions 1 and 2.

An insurer shall provide notice of an upcoming premium rate schedule increase to all policyholders or certificate holders, if applicable, at least 45 days prior to the implementation of the premium rate schedule increase by the insurer. The notice shall include the information required by subdivision 2 when the rate increase is implemented.

Sec. 6. [62S.265] [PREMIUM RATE SCHEDULE INCREASES.]

Subdivision 1. [APPLICABILITY.] (a) Except as provided in paragraph (b), this section applies to any long-term care policy or certificate issued in this state on or after January 1, 2002, under this chapter or sections 62A.46 to 62A.56.

(b) For certificates issued on or after the effective date of this section under a group long-term care insurance policy as defined in section 62S.01, subdivision 15, or as described in the second paragraph of section 62A.46, subdivision 2, that was in force on the effective date of this section, this section applies on the policy anniversary following June 30, 2002.

Subd. 2. [NOTICE.] An insurer shall provide notice of a pending premium rate schedule increase, including an exceptional increase, to the commissioner at least 30 days prior to the notice to the policyholders and shall include:

(1) all information required by section 62S.081;

(2) certification by a qualified actuary that:

(i) if the requested premium rate schedule increase is implemented and the underlying assumptions, which reflect moderately adverse conditions, are realized, no further premium rate schedule increases are anticipated; and

(ii) the premium rate filing complies with this section;

(3) an actuarial memorandum justifying the rate schedule change request that includes:

(i) lifetime projections of earned premiums and incurred claims based on the filed premium rate schedule increase and the method and assumptions used in determining the projected values, including reflection of any assumptions that deviate from those used for pricing other forms currently available for sale;

(A) annual values for the five years preceding and the three years following the valuation date shall be provided separately;

(B) the projections shall include the development of the lifetime loss ratio, unless the rate increase is an exceptional increase;

(C) the projections shall demonstrate compliance with subdivision 3; and

(D) for exceptional increases, the projected experience must be limited to the increases in claims expenses attributable to the approved reasons for the exceptional increase and, if the commissioner determines that offsets to higher claim costs may exist, the insurer shall use appropriate net projected experience;

(ii) disclosure of how reserves have been incorporated in this rate increase whenever the rate increase will trigger contingent benefit upon lapse;

(iii) disclosure of the analysis performed to determine why a rate adjustment is necessary, which pricing assumptions were not realized and why, and what other actions taken by the company have been relied upon by the actuary;

(iv) a statement that policy design, underwriting, and claims adjudication practices have been taken into consideration; and

(v) if it is necessary to maintain consistent premium rates for new certificates and certificates receiving a rate increase, the insurer shall file composite rates reflecting projections of new certificates;

(4) a statement that renewal premium rate schedules are not greater than new business premium rate schedules except for differences attributable to benefits, unless sufficient justification is provided to the commissioner; and

(5) sufficient information for review and approval of the premium rate schedule increase by the commissioner.

Subd. 3. [REQUIREMENTS PERTAINING TO RATE INCREASES.] All premium rate schedule increases must be determined in accordance with the following requirements:

(1) exceptional increases shall provide that 70 percent of the present value of projected additional premiums from the exceptional increase will be returned to policyholders in benefits;

(2) premium rate schedule increases must be calculated such that the sum of the accumulated value of incurred claims, without the inclusion of active life reserves, and the present value of future projected incurred claims, without the inclusion of active life reserves, will not be less than the sum of the following:

(i) the accumulated value of the initial earned premium times 58 percent;

(ii) 85 percent of the accumulated value of prior premium rate schedule increases on an earned basis;

(iii) the present value of future projected initial earned premiums times 58 percent; and

(iv) 85 percent of the present value of future projected premiums not in item (iii) on an earned basis;

(3) if a policy form has both exceptional and other increases, the values in clause (2), items (ii) and (iv), must also include 70 percent for exceptional rate increase amounts; and

(4) all present and accumulated values used to determine rate increases must use the maximum valuation interest rate for contract reserves permitted for valuation of whole life insurance policies issued in this state on the same date. The actuary shall disclose as part of the actuarial memorandum the use of any appropriate averages.

Subd. 4. [PROJECTIONS.] For each rate increase that is implemented, the insurer shall file for approval by the commissioner updated projections, as defined in subdivision 2, clause (3), item (i), annually for the next three years and include a comparison of actual results to projected values. The commissioner may extend the period to greater than three years if actual results are not consistent with projected values from prior projections. For group insurance policies that meet the conditions in subdivision 10, the projections required by this subdivision must be provided to the policyholder in lieu of filing with the commissioner.

Subd. 5. [LIFETIME PROJECTIONS.] If any premium rate in the revised premium rate schedule is greater than 200 percent of the comparable rate in the initial premium schedule, lifetime projections, as defined in subdivision 2, clause (3), item (i), must be filed for approval by the commissioner every five years following the end of the required period in subdivision 4. For group insurance policies that meet the conditions in subdivision 10, the projections required by this subdivision must be provided to the policyholder in lieu of filing with the commissioner.

Subd. 6. [EFFECT OF ACTUAL EXPERIENCE.] (a) If the commissioner has determined that the actual experience following a rate increase does not adequately match the projected experience and that the current projections under moderately adverse conditions demonstrate that incurred claims will not exceed proportions of premiums specified in subdivision 3, the commissioner may require the insurer to implement any of the following:

- (1) premium rate schedule adjustments; or
- (2) other measures to reduce the difference between the projected and actual experience.

(b) In determining whether the actual experience adequately matches the projected experience, consideration should be given to subdivision 2, clause (3), item (v), if applicable.

Subd. 7. [CONTINGENT BENEFIT UPON LAPSE.] If the majority of the policies or certificates to which the increase is applicable are eligible for the contingent benefit upon lapse, the insurer shall file:

(1) a plan, subject to commissioner approval, for improved administration or claims processing designed to eliminate the potential for further deterioration of the policy form requiring further premium rate schedule increases, or both, or a demonstration that appropriate administration and claims processing have been implemented or are in effect, otherwise the commissioner may impose the condition in subdivision 8, paragraph (b); and

(2) the original anticipated lifetime loss ratio, and the premium rate schedule increase that would have been calculated according to subdivision 3 had the greater of the original anticipated lifetime loss ratio or 58 percent been used in the calculations described in subdivision 3, clause (1), items (i) and (iii).

Subd. 8. [PROJECTED LAPSE RATES.] (a) For a rate increase filing that meets the following criteria, the commissioner shall review, for all policies included in the filing, the projected lapse rates and past lapse rates during the 12 months following each increase to determine if significant adverse lapsation has occurred or is anticipated:

- (1) the rate increase is not the first rate increase requested for the specific policy form or forms;
- (2) the rate increase is not an exceptional increase; and
- (3) the majority of the policies or certificates to which the increase is applicable are eligible for the contingent benefit upon lapse.

(b) If significant adverse lapsation has occurred, is anticipated in the filing, or is evidenced in the actual results as presented in the updated projections provided by the insurer following the requested rate increase, the commissioner may determine that a rate spiral exists. Following the determination that a rate spiral exists, the commissioner may require the insurer to offer, without underwriting, to all in-force insureds subject to the rate increase, the option to replace existing coverage with one or more reasonably comparable products being offered by the insurer or its affiliates. The offer must:

- (1) be subject to the approval of the commissioner;
- (2) be based on actuarially sound principles, but not be based on attained age; and
- (3) provide that maximum benefits under any new policy accepted by an insured shall be reduced by comparable benefits already paid under the existing policy.

(c) The insurer shall maintain the experience of all the replacement insureds separate from the experience of insureds originally issued the policy forms. In the event of a request for a rate increase on the policy form, the rate increase must be limited to the lesser of the maximum rate increase determined based on the combined experience and the maximum rate increase determined based only on the experience of the insureds originally issued the form plus ten percent.

Subd. 9. [PERSISTENT PRACTICE OF INADEQUATE INITIAL RATES.] If the

commissioner determines that the insurer has exhibited a persistent practice of filing inadequate initial premium rates for long-term care insurance, the commissioner may, in addition to the provisions of subdivision 8, prohibit the insurer from either of the following:

- (1) filing and marketing comparable coverage for a period of up to five years; or
- (2) offering all other similar coverages and limiting marketing of new applications to the products subject to recent premium rate schedule increases.

Subd. 10. [LARGE GROUP POLICIES.] Subdivisions 6 and 9 do not apply to group long-term care insurance policies as defined in section 62S.01, subdivision 15, where:

- (1) the policies insure 250 or more persons, and the policyholder has 5,000 or more eligible employees of a single employer; or
- (2) the policyholder, and not the certificate holders, pays a material portion of the premium, which is not less than 20 percent of the total premium for the group in the calendar year prior to the year in which a rate increase is filed.

Sec. 7. [62S.266] [NONFORFEITURE BENEFIT REQUIREMENT.]

Subdivision 1. [APPLICABILITY.] This section does not apply to life insurance policies or riders containing accelerated long-term care benefits.

Subd. 2. [REQUIREMENT.] An insurer must offer each prospective policyholder a nonforfeiture benefit in compliance with the following requirements:

- (1) a policy or certificate offered with nonforfeiture benefits must have coverage elements, eligibility, benefit triggers, and benefit length that are the same as coverage to be issued without nonforfeiture benefits. The nonforfeiture benefit included in the offer must be the benefit described in subdivision 5; and
- (2) the offer must be in writing if the nonforfeiture benefit is not otherwise described in the outline of coverage or other materials given to the prospective policyholder.

Subd. 3. [EFFECT OF REJECTION OF OFFER.] If the offer required to be made under subdivision 2 is rejected, the insurer shall provide the contingent benefit upon lapse described in this section.

Subd. 4. [CONTINGENT BENEFIT UPON LAPSE.] (a) After rejection of the offer required under subdivision 2, for individual and group policies without nonforfeiture benefits issued after the effective date of this section, the insurer shall provide a contingent benefit upon lapse.

(b) If a group policyholder elects to make the nonforfeiture benefit an option to the certificate holder, a certificate shall provide either the nonforfeiture benefit or the contingent benefit upon lapse.

(c) The contingent benefit on lapse shall be triggered every time an insurer increases the premium rates to a level which results in a cumulative increase of the annual premium equal to or exceeding the percentage of the insured's initial annual premium set forth below based on the insured's issue age, and the policy or certificate lapses within 120 days of the due date of the premium so increased. Unless otherwise required, policyholders shall be notified at least 30 days prior to the due date of the premium reflecting the rate increase.

Triggers for a Substantial Premium Increase

<u>Issue Age</u>	<u>Percent Increase Over Initial Premium</u>
<u>29 and Under</u>	<u>200</u>
<u>30-34</u>	<u>190</u>
<u>35-39</u>	<u>170</u>

40-44	150
45-49	130
50-54	110
55-59	90
<u>60</u>	<u>70</u>
<u>61</u>	<u>66</u>
<u>62</u>	<u>62</u>
<u>63</u>	<u>58</u>
<u>64</u>	<u>54</u>
<u>65</u>	<u>50</u>
<u>66</u>	<u>48</u>
<u>67</u>	<u>46</u>
<u>68</u>	<u>44</u>
<u>69</u>	<u>42</u>
<u>70</u>	<u>40</u>
<u>71</u>	<u>38</u>
<u>72</u>	<u>36</u>
<u>73</u>	<u>34</u>
<u>74</u>	<u>32</u>
<u>75</u>	<u>30</u>
<u>76</u>	<u>28</u>
<u>77</u>	<u>26</u>
<u>78</u>	<u>24</u>
<u>79</u>	<u>22</u>
<u>80</u>	<u>20</u>
<u>81</u>	<u>19</u>
<u>82</u>	<u>18</u>
<u>83</u>	<u>17</u>
<u>84</u>	<u>16</u>
<u>85</u>	<u>15</u>
<u>86</u>	<u>14</u>
<u>87</u>	<u>13</u>
<u>88</u>	<u>12</u>
<u>89</u>	<u>11</u>
<u>90 and over</u>	<u>10</u>

(d) On or before the effective date of a substantial premium increase as defined in paragraph (c), the insurer shall:

(1) offer to reduce policy benefits provided by the current coverage without the requirement of additional underwriting so that required premium payments are not increased;

(2) offer to convert the coverage to a paid-up status with a shortened benefit period in accordance with the terms of subdivision 5. This option may be elected at any time during the 120-day period referenced in paragraph (c); and

(3) notify the policyholder or certificate holder that a default or lapse at any time during the 120-day period referenced in paragraph (c) shall be deemed to be the election of the offer to convert in clause (2).

Subd. 5. [NONFORFEITURE BENEFITS; REQUIREMENTS.] (a) Benefits continued as nonforfeiture benefits, including contingent benefits upon lapse, must be as described in this subdivision.

(b) For purposes of this subdivision, "attained age rating" is defined as a schedule of premiums starting from the issue date which increases age at least one percent per year prior to age 50, and at least three percent per year beyond age 50.

(c) For purposes of this subdivision, the nonforfeiture benefit shall be of a shortened benefit period providing paid-up long-term care insurance coverage after lapse. The same benefits, amounts and frequency in effect at the time of lapse but not increased thereafter, will be payable for a qualifying claim, but the lifetime maximum dollars or days of benefits shall be determined as specified in paragraph (d).

(d) The standard nonforfeiture credit will be equal to 100 percent of the sum of all premiums paid, including the premiums paid prior to any changes in benefits. The insurer may offer additional shortened benefit period options, as long as the benefits for each duration equal or exceed the standard nonforfeiture credit for that duration. However, the minimum nonforfeiture credit shall not be less than 30 times the daily nursing home benefit at the time of lapse. In either event, the calculation of the nonforfeiture credit is subject to the limitation of this subdivision.

(e) The nonforfeiture benefit shall begin not later than the end of the third year following the policy or certificate issue date. The contingent benefit, upon lapse, shall be effective during the first three years as well as thereafter.

(f) Notwithstanding paragraph (e), for a policy or certificate with attained age rating, the nonforfeiture benefit shall begin on the earlier of:

(1) the end of the tenth year following the policy or certificate issue date; or

(2) the end of the second year following the date the policy or certificate is no longer subject to attained age rating.

(g) Nonforfeiture credits may be used for all care and services qualifying for benefits under the terms of the policy or certificate, up to the limits specified in the policy or certificate.

Subd. 6. [BENEFIT LIMIT.] All benefits paid by the insurer while the policy or certificate is in premium-paying status and in the paid-up status will not exceed the maximum benefits which would be payable if the policy or certificate had remained in premium-paying status.

Subd. 7. [MINIMUM BENEFITS; INDIVIDUAL AND GROUP POLICIES.] There shall be no difference in the minimum nonforfeiture benefits as required under this section for group and individual policies.

Subd. 8. [APPLICATION; EFFECTIVE DATES.] This section becomes effective January 1, 2002, and applies as follows:

(a) Except as provided in paragraph (b), this section applies to any long-term care policy issued in this state on or after the effective date of this section.

(b) For certificates issued on or after the effective date of this section, under a group long-term care insurance policy that was in force on the effective date of this section, the provisions of this section shall not apply.

Subd. 9. [EFFECT ON LOSS RATIO.] Premiums charged for a policy or certificate containing nonforfeiture benefits or a contingent benefit on lapse shall be subject to the loss ratio requirements of section 62A.48, subdivision 4, or 62S.26, treating the policy as a whole.

Subd. 10. [PURCHASED BLOCKS OF BUSINESS.] To determine whether contingent nonforfeiture upon lapse provisions are triggered under subdivision 4, paragraph (c), a replacing insurer that purchased or otherwise assumed a block or blocks of long-term care insurance policies from another insurer shall calculate the percentage increase based on the initial annual premium paid by the insured when the policy was first purchased from the original insurer.

Subd. 11. [LEVEL PREMIUM CONTRACTS.] A nonforfeiture benefit for qualified long-term care insurance contracts that are level premium contracts shall be offered that meets the following requirements:

(1) the nonforfeiture provision shall be appropriately captioned;

(2) the nonforfeiture provision shall provide a benefit available in the event of a default in the payment of any premiums and shall state that the amount of the benefit may be adjusted subsequent to being initially granted only as necessary to reflect changes in claims, persistency, and interest as reflected in changes in rates for premium paying contracts approved by the commissioner for the same contract form; and

(3) the nonforfeiture provision shall provide at least one of the following:

(i) reduced paid-up insurance;

(ii) extended term insurance;

(iii) shortened benefit period; or

(iv) other similar offerings approved by the commissioner.

Sec. 8. Minnesota Statutes 2000, section 256.975, is amended by adding a subdivision to read:

Subd. 8. [PROMOTION OF LONG-TERM CARE INSURANCE.] The Minnesota board on aging, either directly or through contract, shall promote the provision of employer-sponsored long-term care insurance. The board shall encourage private- and public-sector employers to make long-term care insurance available to employees, provide interested employers with information on the long-term care insurance product offered to state employees, and provide technical assistance to employers in designing long-term care insurance products and contacting health plan companies offering long-term care insurance products.

Sec. 9. [APPROPRIATION.]

\$...... is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 2003, for the board on aging to promote employer-sponsored long-term care insurance."

Delete the title and insert:

"A bill for an act relating to human services; expanding consumer information and assistance; establishing long-term care consultation services; modifying the alternative care program; modifying the elderly waiver; establishing nursing facility resident relocation procedures; providing rate increases for certain medical assistance providers; establishing a nursing facility voluntary closure process; expanding workforce recruitment and retention programs; regulating supplemental nursing services agencies; regulating long-term care insurance; appropriating money; amending Minnesota Statutes 2000, sections 62A.02, by adding a subdivision; 62A.48, by adding subdivisions; 62D.04, subdivision 5; 62S.01, by adding a subdivision; 116L.11, subdivision 4; 116L.12, subdivisions 4, 5; 116L.13, subdivision 1; 144.057; 144.1464; 144.1496, subdivisions 1, 3, 4; 144A.071, subdivisions 1, 1a, 2, 4a; 144A.073, subdivision 2; 245A.04, subdivisions 3, 3a, 3b, 3d; 256.975, by adding subdivisions; 256B.0911, subdivisions 1, 3, 5, 6, 7, by adding subdivisions; 256B.0913, subdivisions 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14; 256B.0915, subdivisions 1d, 3, 5; 256B.0917, by adding a subdivision; 256B.431, by adding subdivisions; 256B.434, subdivision 4; 256B.5012, subdivision 3, by adding subdivisions; 256L.07, subdivision 2; 626.557, subdivision 12b; Laws 1999, chapter 245, article 3, section 45, as amended; proposing coding for new law in Minnesota Statutes, chapters 62S; 116L; 144; 144A; 256; 256B; repealing Minnesota Statutes 2000, sections 116L.10; 116L.12, subdivisions 2, 7; 144A.16; 256B.0911, subdivisions 2, 2a, 4, 8, 9; 256B.0913, subdivisions 3, 15a, 15b, 15c, 16; 256B.0915, subdivisions 3a, 3b, 3c; 256B.436, subdivisions 3, 5, 6, 8; Minnesota Rules, parts 4655.6810; 4655.6820; 4655.6830; 4658.1600; 4658.1605; 4658.1610; 4658.1690; 9505.2390; 9505.2395; 9505.2396; 9505.2400; 9505.2405; 9505.2410; 9505.2413; 9505.2415; 9505.2420; 9505.2425; 9505.2426; 9505.2430; 9505.2435; 9505.2440; 9505.2445; 9505.2450; 9505.2455; 9505.2458; 9505.2460; 9505.2465; 9505.2470; 9505.2473; 9505.2475; 9505.2480; 9505.2485; 9505.2486; 9505.2490; 9505.2495; 9505.2496; 9505.2500; 9546.0010; 9546.0020; 9546.0030; 9546.0040; 9546.0050; 9546.0060."

And when so amended the bill do pass and be re-referred to the Committee on Commerce. Amendments adopted. Report adopted.

Senator Murphy from the Committee on Agriculture, General Legislation and Veterans Affairs, to which was referred

S.F. No. 1358: A bill for an act relating to agriculture; adopting federal rules; amending Minnesota Statutes 2000, sections 18B.06, subdivision 1, and by adding subdivisions; 18C.121, by adding subdivisions; 21.85, by adding a subdivision; 25.40, subdivision 1, and by adding subdivisions; and 29.237.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Murphy from the Committee on Agriculture, General Legislation and Veterans Affairs, to which was referred

S.F. No. 854: A bill for an act relating to agriculture; establishing a milk price control board; providing for minimum pricing of raw milk and maximum pricing of milk at wholesale and retail; creating the option for a milk supply quota system; allowing for pooling of milk payments; authorizing enforcement; imposing penalties; proposing coding for new law as Minnesota Statutes, chapter 32A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, delete "(a)"

Page 1, delete lines 18 to 23

Page 2, line 23, delete "promulgation" and insert "adoption"

Page 3, line 4, delete "promulgation" and insert "adoption"

Page 3, after line 32, insert:

"Subd. 4. [MEETINGS.] Board meetings are subject to chapter 13D, except as it pertains to business and financial information, and trade secret information as defined by section 13.37, subdivision 1, paragraph (b)."

Page 7, line 15, delete everything after "by" and insert "individually mailed ballots to"

Page 7, line 16, delete ", processors, and distributors"

Page 7, line 17, after "a" insert "simple" and delete everything after the first comma

Page 7, delete lines 18 to 20

Page 7, line 21, delete everything before the first "the" and insert "who vote in"

Page 10, after line 4, insert:

"Sec. 10. [32A.10] [PROTECTION OF TRADE SECRETS.]

Subdivision 1. [REQUIREMENTS.] In submitting data required by this chapter, the producer, processor, or distributor may:

(1) clearly mark any portions that in the producer's, processor's, or distributor's opinion are trade secret information, as defined by section 13.37, subdivision 1, paragraph (b), or business and financial information; and

(2) submit the marked material separately from other material.

Subd. 2. [INFORMATION REVEALED.] After consideration of the producer's, processor's, or distributor's request submitted under subdivision 1, the board shall not make any information public that in the board's judgment contains or relates to trade secret information or to commercial or financial information obtained from an applicant. When necessary, information relating to

formulas of products may be revealed to any state or federal agency consulted with similar protection of trade secret authority and may be revealed at a public hearing or in findings of facts issued by the board.

Subd. 3. [NOTIFICATION.] If the board proposes to release information that the producer, processor, or distributor believes to be protected from disclosure under subdivision 2, the board shall notify the producer, processor, or distributor by certified mail. The board shall not make the information available for inspection until 30 days after receipt of the notice by the producer, processor, or distributor. During this period, the producer, processor, or distributor may institute an action in an appropriate court for a declaratory judgment as to whether the information is subject to protection under this section."

Page 10, line 5, delete "[32A.10]" and insert "[32A.11]"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, before "proposing" insert "protecting certain business information submitted to the board;"

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations. Amendments adopted. Report adopted.

Senator Ranum from the Committee on Crime Prevention, to which was re-referred

S.F. No. 1008: A bill for an act relating to horse racing; card clubs; authorizing licensee of commission to detain persons suspected of cheating; proposing coding for new law in Minnesota Statutes, chapter 240.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 23, delete "and must not be subjected" and insert "and may not be subjected to unnecessary or unreasonable force, nor"

Page 2, line 3, delete "the licensee is waiting to" and insert "a peace officer requests detention"

Page 2, line 4, delete everything before the comma

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Senator Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 274 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
274	70				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 274 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 274 and insert the language after the enacting clause of S.F. No. 70, the first engrossment; further, delete the title of H.F. No. 274 and insert the title of S.F. No. 70, the first engrossment.

And when so amended H.F. No. 274 will be identical to S.F. No. 70, and further recommends

that H.F. No. 274 be given its second reading and substituted for S.F. No. 70, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 550 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
550	954				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 550 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 550 and insert the language after the enacting clause of S.F. No. 954, the first engrossment; further, delete the title of H.F. No. 550 and insert the title of S.F. No. 954, the first engrossment.

And when so amended H.F. No. 550 will be identical to S.F. No. 954, and further recommends that H.F. No. 550 be given its second reading and substituted for S.F. No. 954, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1204, 775, 244, 152, 882, 1212, 936, 1419, 1502, 1583, 1187, 1490, 1199, 1598, 1404, 1421, 1407, 1580, 1498, 1415, 1545, 1043, 1347, 1599, 1495, 1497, 1499 and 1358 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 274 and 550 were read the second time.

MOTIONS AND RESOLUTIONS

Senator Murphy moved that the name of Senator Chaudhary be added as a co-author to S.F. No. 1697. The motion prevailed.

Senator Kelley, S.P. moved that S.F. No. 635 be withdrawn from the Committee on Education and re-referred to the Committee on Jobs, Housing and Community Development. The motion prevailed.

Senator Moe, R.D. moved that H.F. No. 1159 be withdrawn from the Committee on Rules and Administration and re-referred to the Committee on Capital Investment. The motion prevailed.

Senator Larson introduced--

Senate Resolution No. 89: A Senate resolution congratulating the Fergus Falls Community College Lady Spartans on winning the 2001 NJCAA Division III championship.

Referred to the Committee on Rules and Administration.

Senators Larson, Limmer, Day, Price and Foley introduced--

Senate Resolution No. 90: A Senate resolution congratulating the University of Minnesota Wrestling team on winning the 2001 NCAA Wrestling Championship.

Referred to the Committee on Rules and Administration.

Senator Ourada moved that S.F. No. 897 be withdrawn from the Committee on State and Local Government Operations, given a second reading, and placed on General Orders. The motion prevailed.

S.F. No. 897 was read the second time.

CONSENT CALENDAR

H.F. No. 556: A bill for an act relating to peace officers; authorizing federal law enforcement officers to exercise their arrest authority in this state under certain circumstances; amending Minnesota Statutes 2000, section 626.77.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Bachmann	Higgins	Krentz	Olson	Samuelson
Belanger	Hottinger	Langseth	Ourada	Scheevel
Berg	Johnson, Dave	Larson	Pappas	Scheid
Berglin	Johnson, Dean	Lesewski	Pogemiller	Schwab
Betzold	Johnson, Doug	Lessard	Price	Solon
Chaudhary	Kelley, S.P.	Limmer	Ranum	Stevens
Cohen	Kelly, R.C.	Lourey	Reiter	Stumpf
Dille	Kierlin	Marty	Ring	Terwilliger
Fischbach	Kinkel	Metzen	Robertson	Vickerman
Foley	Kiscaden	Moe, R.D.	Robling	Wiener
Fowler	Kleis	Murphy	Sabo	Wiger
Frederickson	Knutson	Oliver	Sams	

So the bill passed and its title was agreed to.

H.F. No. 320: A bill for an act relating to insurance; authorizing licensed property-casualty insurance agents to assist in the procurement of surplus lines insurance without a surplus lines insurance license; amending Minnesota Statutes 2000, section 60A.198, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Bachmann	Fischbach	Johnson, Doug	Krentz	Metzen
Belanger	Foley	Kelley, S.P.	Langseth	Moe, R.D.
Berg	Fowler	Kelly, R.C.	Larson	Murphy
Berglin	Frederickson	Kierlin	Lesewski	Oliver
Betzold	Higgins	Kinkel	Lessard	Olson
Chaudhary	Hottinger	Kiscaden	Limmer	Orfield
Cohen	Johnson, Dave	Kleis	Lourey	Ourada
Dille	Johnson, Dean	Knutson	Marty	Pappas

Pariseau	Rest	Sams	Solon	Wiener
Pogemiller	Ring	Samuelson	Stevens	Wiger
Price	Robertson	Scheevel	Stumpf	
Ranum	Robling	Scheid	Terwilliger	
Reiter	Sabo	Schwab	Vickerman	

So the bill passed and its title was agreed to.

S.F. No. 1031: A bill for an act relating to veterans; changing certain educational assistance provisions; amending Minnesota Statutes 2000, section 197.75, subdivisions 1 and 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Bachmann	Hottinger	Larson	Pappas	Scheid
Belanger	Johnson, Dave	Lesewski	Pariseau	Schwab
Berg	Johnson, Dean	Lessard	Price	Solon
Berglin	Johnson, Doug	Limmer	Ranum	Stevens
Betzold	Kelley, S.P.	Lourey	Reiter	Stumpf
Chaudhary	Kelly, R.C.	Marty	Rest	Terwilliger
Cohen	Kierlin	Metzen	Ring	Vickerman
Dille	Kinkel	Moe, R.D.	Robertson	Wiener
Fischbach	Kiscaden	Murphy	Robling	Wiger
Foley	Kleis	Oliver	Sabo	
Fowler	Knutson	Olson	Sams	
Frederickson	Krentz	Orfield	Samuelson	
Higgins	Langseth	Ourada	Scheevel	

So the bill passed and its title was agreed to.

S.F. No. 930: A bill for an act relating to transportation; repealing obsolete rules; repealing Minnesota Rules, parts 7800.1800; 7805.0200; 7805.0600; 7805.1000; 7805.1100; 7805.1200.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Bachmann	Hottinger	Larson	Pappas	Scheid
Belanger	Johnson, Dave	Lesewski	Pariseau	Schwab
Berg	Johnson, Dean	Lessard	Price	Solon
Berglin	Johnson, Doug	Limmer	Ranum	Stevens
Betzold	Kelley, S.P.	Lourey	Reiter	Stumpf
Chaudhary	Kelly, R.C.	Marty	Rest	Terwilliger
Cohen	Kierlin	Metzen	Ring	Vickerman
Dille	Kinkel	Moe, R.D.	Robertson	Wiener
Fischbach	Kiscaden	Murphy	Robling	Wiger
Foley	Kleis	Oliver	Sabo	
Fowler	Knutson	Olson	Sams	
Frederickson	Krentz	Orfield	Samuelson	
Higgins	Langseth	Ourada	Scheevel	

So the bill passed and its title was agreed to.

S.F. No. 883: A bill for an act relating to health; establishing procedure for requesting a variance or waiver for rules regarding the operation, construction, and equipment of hospitals; proposing coding for new law in Minnesota Statutes, chapter 144.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Bachmann	Hottinger	Larson	Pappas	Scheevel
Belanger	Johnson, Dave	Lesewski	Pariseau	Scheid
Berg	Johnson, Dean	Lessard	Pogemiller	Schwab
Berglin	Johnson, Doug	Limmer	Price	Solon
Betzold	Kelley, S.P.	Lourey	Ranum	Stevens
Chaudhary	Kelly, R.C.	Marty	Reiter	Stumpf
Cohen	Kierlin	Metzen	Rest	Terwilliger
Dille	Kinkel	Moe, R.D.	Ring	Vickerman
Fischbach	Kiscaden	Murphy	Robertson	Wiener
Foley	Kleis	Oliver	Robling	Wiger
Fowler	Knutson	Olson	Sabo	
Frederickson	Krentz	Orfield	Sams	
Higgins	Langseth	Ourada	Samuelson	

So the bill passed and its title was agreed to.

S.F. No. 910: A bill for an act relating to traffic regulations; redefining "residential roadway"; amending Minnesota Statutes 2000, section 169.01, subdivision 81.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Bachmann	Higgins	Krentz	Olson	Sabo
Belanger	Hottinger	Langseth	Orfield	Sams
Berg	Johnson, Dave	Larson	Ourada	Samuelson
Berglin	Johnson, Dean	Lesewski	Pappas	Scheevel
Betzold	Johnson, Doug	Lessard	Pogemiller	Schwab
Chaudhary	Kelley, S.P.	Limmer	Price	Solon
Cohen	Kelly, R.C.	Lourey	Ranum	Stevens
Dille	Kierlin	Marty	Reiter	Stumpf
Fischbach	Kinkel	Metzen	Rest	Terwilliger
Foley	Kiscaden	Moe, R.D.	Ring	Vickerman
Fowler	Kleis	Murphy	Robertson	Wiener
Frederickson	Knutson	Oliver	Robling	Wiger

So the bill passed and its title was agreed to.

H.F. No. 264: A bill for an act relating to energy; correcting names of legislative committees represented by certain members of legislative electric energy task force; amending Minnesota Statutes 2000, section 216C.051, subdivision 2.

Senator Metzen moved to amend H.F. No. 264, the unofficial engrossment, as follows:

Page 2, after line 19, insert:

"**[EFFECTIVE DATE.]** This section is effective retroactive to March 15, 2001."

The motion prevailed. So the amendment was adopted.

H.F. No. 264 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Bachmann	Johnson, Dave	Lesewski	Pariseau	Scheid
Belanger	Johnson, Dean	Lessard	Pogemiller	Schwab
Berg	Johnson, Doug	Limmer	Price	Solon
Berglin	Kelley, S.P.	Lourey	Ranum	Stevens
Betzold	Kelly, R.C.	Marty	Reiter	Stumpf
Chaudhary	Kierlin	Metzen	Rest	Terwilliger
Cohen	Kinkel	Moe, R.D.	Ring	Vickerman
Dille	Kiscaden	Murphy	Robertson	Wiener
Fischbach	Kleis	Oliver	Robling	Wiger
Foley	Knutson	Olson	Sabo	
Fowler	Krentz	Orfield	Sams	
Frederickson	Langseth	Ourada	Samuelson	
Higgins	Larson	Pappas	Scheevel	

So the bill, as amended, was passed and its title was agreed to.

S.F. No. 1157: A bill for an act relating to corrections; requiring the commissioners of corrections and human services to develop alternative equivalent standards for chemical dependency treatment programs for correctional facilities under certain circumstances; amending Minnesota Statutes 2000, section 241.021, subdivision 4a.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Bachmann	Hottinger	Larson	Pappas	Scheevel
Belanger	Johnson, Dave	Lesewski	Pariseau	Scheid
Berg	Johnson, Dean	Lessard	Pogemiller	Schwab
Berglin	Johnson, Doug	Limmer	Price	Solon
Betzold	Kelley, S.P.	Lourey	Ranum	Stevens
Chaudhary	Kelly, R.C.	Marty	Reiter	Stumpf
Cohen	Kierlin	Metzen	Rest	Terwilliger
Dille	Kinkel	Moe, R.D.	Ring	Vickerman
Fischbach	Kiscaden	Murphy	Robertson	Wiener
Foley	Kleis	Oliver	Robling	Wiger
Fowler	Knutson	Olson	Sabo	
Frederickson	Krentz	Orfield	Sams	
Higgins	Langseth	Ourada	Samuelson	

So the bill passed and its title was agreed to.

S.F. No. 1413: A bill for an act relating to corrections; requiring the commissioner of corrections to contract with the commissioner of human services for background studies of individuals providing services in secure and nonsecure juvenile residential and detention facilities; amending Minnesota Statutes 2000, section 241.021, subdivision 6.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Bachmann	Fowler	Kiscaden	Marty	Pogemiller
Belanger	Frederickson	Kleis	Metzen	Price
Berg	Higgins	Knutson	Moe, R.D.	Ranum
Berglin	Johnson, Dave	Krentz	Murphy	Reiter
Betzold	Johnson, Dean	Langseth	Oliver	Rest
Chaudhary	Johnson, Doug	Larson	Olson	Ring
Cohen	Kelley, S.P.	Lesewski	Orfield	Robertson
Dille	Kelly, R.C.	Lessard	Ourada	Robling
Fischbach	Kierlin	Limmer	Pappas	Sabo
Foley	Kinkel	Lourey	Pariseau	Sams

Samuelson
Scheevel
Scheid

Schwab
Solon

Stevens
Stumpf

Terwilliger
Vickerman

Wiener
Wiger

So the bill passed and its title was agreed to.

S.F. No. 971: A bill for an act relating to crimes; repealing law which prohibits holding itinerant carnivals; repealing Minnesota Statutes 2000, section 624.65.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 1, as follows:

Those who voted in the affirmative were:

Belanger	Hottinger	Larson	Pappas	Samuelson
Berg	Johnson, Dean	Lesewski	Pariseau	Scheid
Berglin	Johnson, Doug	Lessard	Pogemiller	Schwab
Betzold	Kelley, S.P.	Lourey	Price	Solon
Chaudhary	Kelly, R.C.	Marty	Ranum	Stevens
Cohen	Kierlin	Metzen	Reiter	Stumpf
Dille	Kinkel	Moe, R.D.	Rest	Terwilliger
Fischbach	Kiscaden	Murphy	Ring	Vickerman
Foley	Kleis	Oliver	Robertson	Wiener
Fowler	Knutson	Olson	Robling	Wiger
Frederickson	Krentz	Orfield	Sabo	
Higgins	Langseth	Ourada	Sams	

Those who voted in the negative were:

Bachmann

So the bill passed and its title was agreed to.

S.F. No. 972: A bill for an act relating to crimes; repealing the law prohibiting endurance contests and striking a reference to it in law; amending Minnesota Statutes 2000, section 375.40; repealing Minnesota Statutes 2000, section 624.66.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Bachmann	Hottinger	Larson	Pappas	Scheevel
Belanger	Johnson, Dave	Lesewski	Pariseau	Scheid
Berg	Johnson, Dean	Lessard	Pogemiller	Schwab
Berglin	Johnson, Doug	Limmer	Price	Solon
Betzold	Kelley, S.P.	Lourey	Ranum	Stevens
Chaudhary	Kelly, R.C.	Marty	Reiter	Stumpf
Cohen	Kierlin	Metzen	Rest	Terwilliger
Dille	Kinkel	Moe, R.D.	Ring	Vickerman
Fischbach	Kiscaden	Murphy	Robertson	Wiener
Foley	Kleis	Oliver	Robling	Wiger
Fowler	Knutson	Olson	Sabo	
Frederickson	Krentz	Orfield	Sams	
Higgins	Langseth	Ourada	Samuelson	

So the bill passed and its title was agreed to.

S.F. No. 1428: A bill for an act relating to crime prevention; clarifying the impaired driving consecutive sentencing provisions; amending Minnesota Statutes 2000, sections 169A.28, subdivision 2; 609.035, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 1, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, Dave	Larson	Ourada	Samuelson
Berg	Johnson, Dean	Lesewski	Pappas	Scheevel
Betzold	Johnson, Doug	Lessard	Pogemiller	Scheid
Chaudhary	Kelley, S.P.	Limmer	Price	Schwab
Cohen	Kelly, R.C.	Lourey	Ranum	Solon
Dille	Kierlin	Marty	Reiter	Stevens
Fischbach	Kinkel	Metzen	Rest	Stumpf
Foley	Kiscaden	Moe, R.D.	Ring	Terwilliger
Fowler	Kleis	Murphy	Robertson	Vickerman
Frederickson	Knutson	Oliver	Robling	Wiener
Higgins	Krentz	Olson	Sabo	Wiger
Hottinger	Langseth	Orfield	Sams	

Those who voted in the negative were:

Pariseau

So the bill passed and its title was agreed to.

S.F. No. 1047: A bill for an act relating to data practices; apartment manager background checks; requiring certain checks to be performed on individuals who have resided in Minnesota less than ten years; amending Minnesota Statutes 2000, section 299C.68, subdivisions 2 and 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Bachmann	Hottinger	Larson	Pappas	Scheevel
Belanger	Johnson, Dave	Lesewski	Pariseau	Scheid
Berg	Johnson, Dean	Lessard	Pogemiller	Schwab
Berglin	Johnson, Doug	Limmer	Price	Solon
Betzold	Kelley, S.P.	Lourey	Ranum	Stevens
Chaudhary	Kelly, R.C.	Marty	Reiter	Stumpf
Cohen	Kierlin	Metzen	Rest	Terwilliger
Dille	Kinkel	Moe, R.D.	Ring	Vickerman
Fischbach	Kiscaden	Murphy	Robertson	Wiener
Foley	Kleis	Oliver	Robling	Wiger
Fowler	Knutson	Olson	Sabo	
Frederickson	Krentz	Orfield	Sams	
Higgins	Langseth	Ourada	Samuelson	

So the bill passed and its title was agreed to.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Senator Vickerman introduced--

S.F. No. 1999: A bill for an act relating to courts; amending and deleting obsolete references to the judicial system; amending Minnesota Statutes 2000, section 609.103; repealing Minnesota Statutes 2000, sections 260.022; 260.023; 260.024; 260.025; and 260B.193, subdivision 3; Laws 1997, chapter 239, article 3, section 23.

Referred to the Committee on Judiciary.

Senators Scheid, Pappas, Samuelson and Limmer introduced--

S.F. No. 2000: A bill for an act relating to taxation; establishing the class rate of qualifying low-income rental housing; amending Minnesota Statutes 2000, section 273.13, subdivision 25.

Referred to the Committee on Taxes.

Senator Kelley, S.P. introduced--

S.F. No. 2001: A bill for an act relating to the city of Hopkins; authorizing the city to impose a food and beverage tax.

Referred to the Committee on Taxes.

Senators Johnson, Dean; Kelly, R.C.; Kiscaden; Kleis and Wiener introduced--

S.F. No. 2002: A bill for an act relating to public safety; making appropriations for women's shelters.

Referred to the Committee on Finance.

Senator Vickerman introduced--

S.F. No. 2003: A bill for an act relating to municipal planning; providing standards for a municipality's land use plan and transportation plan; providing standards for planned urban areas; amending Minnesota Statutes 2000, section 462.352, subdivisions 6, 7, 18, by adding subdivisions.

Referred to the Committee on State and Local Government Operations.

Senators Foley, Berglin and Higgins introduced--

S.F. No. 2004: A bill for an act relating to mental health; providing services to individuals experiencing mental health crises; permitting the establishment of mobile mental health crisis teams; requiring triage protocols to be used by mental health emergency service providers; requiring development of mental health crisis plans; establishing a statewide mental health crisis line; appropriating money; amending Minnesota Statutes 2000, sections 245.462, by adding a subdivision; 245.469, subdivision 2, by adding subdivisions; 245.4871, subdivision 3, by adding a subdivision; 245.4879, subdivision 2, by adding subdivisions; 245.4881, subdivision 3, by adding a subdivision; 245.4886, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Health and Family Security.

Senators Foley; Johnson, Dave; Kelly, R.C.; Kierlin and Johnson, Dean introduced--

S.F. No. 2005: A bill for an act relating to highways; designating the State Trooper Theodore "Ted" Foss Memorial Highway; amending Minnesota Statutes 2000, section 161.14, by adding a subdivision.

Referred to the Committee on Transportation.

Senators Schwab; Kelly, R.C.; Murphy and Terwilliger introduced--

S.F. No. 2006: A bill for an act relating to government data; authorizing certain accident data to be made public; amending Minnesota Statutes 2000, section 169.09, subdivision 13.

Referred to the Committee on Judiciary.

Senators Murphy, Larson, Wiener, Stumpf and Pogemiller introduced--

S.F. No. 2007: A bill for an act relating to higher education; modifying certain conditions and terms relating to grants; amending Minnesota Statutes 2000, sections 136A.121, subdivision 9; and 136A.125, subdivisions 1, 2, 4, 6, 8, and 9; repealing Minnesota Statutes 2000, section 136A.125, subdivision 3.

Referred to the Committee on Education.

Senator Higgins introduced--

S.F. No. 2008: A bill for an act relating to family law; providing for a study of the proposed Uniform Parentage Act.

Referred to the Committee on Judiciary.

Senators Metzen, Vickerman, Stevens, Larson and Rest introduced--

S.F. No. 2009: A bill for an act relating to local government; permitting retired employees to enroll in health coverage under the public employees insurance program during an annual open enrollment period; amending Minnesota Statutes 2000, section 43A.316, subdivision 8.

Referred to the Committee on State and Local Government Operations.

Senator Vickerman introduced--

S.F. No. 2010: A bill for an act relating to traffic regulations; providing certain exemptions for seasonal highway weight restrictions; amending Minnesota Statutes 2000, section 169.87, subdivision 4.

Referred to the Committee on Transportation.

Senator Rest introduced--

S.F. No. 2011: A bill for an act relating to insurance; regulating nonrenewals of homeowner's insurance; prohibiting various discriminatory practices in automobile and homeowner's insurance; amending Minnesota Statutes 2000, sections 65A.29, subdivision 8; 65B.28, subdivision 1; 72A.20, subdivisions 13, 23.

Referred to the Committee on Commerce.

Senators Kleis, Berglin, Lourey, Ring and Fischbach introduced--

S.F. No. 2012: A bill for an act relating to health occupations; establishing requirements for orthopedic physician assistant practice; protecting certain titles; establishing a ground for disciplinary action for physician assistants; amending Minnesota Statutes 2000, sections 147A.01, by adding subdivisions; 147A.03, subdivisions 3 and 4, and by adding a subdivision; and 147A.13, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 147A.

Referred to the Committee on Health and Family Security.

Senators Kelly, R.C. and Johnson, Dean introduced--

S.F. No. 2013: A bill for an act relating to public safety; appropriating money to Minnesota safety council for traffic safety training and education.

Referred to the Committee on Finance.

Senators Kinkel; Wiger; Johnson, Debbie; Olson and Scheid introduced--

S.F. No. 2014: A bill for an act relating to education; providing for tenth grade testing; amending Minnesota Statutes 2000, section 120B.30, subdivision 1.

Referred to the Committee on Education.

Senators Langseth, Schwab and Ourada introduced--

S.F. No. 2015: A bill for an act relating to highways; appropriating money to commissioner of transportation for constructing, reconstructing, and rehabilitating trunk highway bridges.

Referred to the Committee on Finance.

Senators Stevens, Lessard, Kiscaden, Pariseau and Fischbach introduced--

S.F. No. 2016: A bill for an act relating to human services; modifying MFIP provisions; modifying sanctions and program eligibility requirements for noncompliant MFIP recipients; establishing hardship extensions; amending Minnesota Statutes 2000, sections 256J.08, by adding a subdivision; 256J.09, subdivisions 2, 3; 256J.15, by adding a subdivision; 256J.24, subdivision 10; 256J.26, subdivision 1; 256J.31, subdivision 4; 256J.42, subdivision 1, by adding a subdivision; 256J.44, subdivision 1; 256J.46, subdivisions 1, 2a, by adding a subdivision; 256J.50, subdivisions 1, 7; 256J.56; 256J.57, subdivision 2; 256J.62, subdivision 9; 256J.625, subdivisions 1, 2, 4; 256J.751; proposing coding for new law in Minnesota Statutes, chapter 256J; repealing Minnesota Statutes 2000, sections 256J.42, subdivision 4; 256J.46, subdivision 1a.

Referred to the Committee on Health and Family Security.

Senator Hottinger introduced--

S.F. No. 2017: A bill for an act relating to franchises; requiring good cause for failure to renew a franchise; requiring notice of action to be taken by a franchisor; amending Minnesota Statutes 2000, section 80C.14, subdivisions 3, 4.

Referred to the Committee on Commerce.

Senators Kiscaden, Sams, Stevens, Scheevel and Fischbach introduced--

S.F. No. 2018: A bill for an act relating to human services; increasing the compensation-related portion of nursing facility operating rates; appropriating money; amending Minnesota Statutes 2000, section 256B.431, by adding a subdivision.

Referred to the Committee on Health and Family Security.

Senators Kiscaden, Sams, Stevens and Scheevel introduced--

S.F. No. 2019: A bill for an act relating to human services; moving Olmsted county to geographic group III for purposes of nursing facility reimbursement; providing a rate increase for nursing facilities in Olmsted county; appropriating money; amending Minnesota Statutes 2000, section 256B.431, subdivision 2b, by adding a subdivision.

Referred to the Committee on Health and Family Security.

Senators Kiscaden, Berglin and Stevens introduced--

S.F. No. 2020: A bill for an act relating to human services; transferring certain base appropriations for services for deaf-blind persons to the commissioner of economic security.

Referred to the Committee on Finance.

Senators Kiscaden, Sams and Stevens introduced--

S.F. No. 2021: A bill for an act relating to human services; providing a rate increase for two nursing facilities in Olmsted county; appropriating money; amending Minnesota Statutes 2000, section 256B.434, by adding a subdivision.

Referred to the Committee on Health and Family Security.

Senators Lesewski, Sams, Bachmann, Lessard and Ourada introduced--

S.F. No. 2022: A bill for an act relating to family law; clarifying which month certain support payments are for; amending Minnesota Statutes 2000, section 518.551, subdivision 1.

Referred to the Committee on Judiciary.

Senators Kelley, S.P.; Sams; Kiscaden and Lourey introduced--

S.F. No. 2023: A bill for an act relating to health; establishing a Minnesota telemedicine network and providing grants; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Family Security.

Senators Kelley, S.P.; Cohen; Hottinger; Pogemiller and Rest introduced--

S.F. No. 2024: A bill for an act relating to taxation; income and franchise; exempting a portion of the capital gain realized on certain investments in high technology businesses from taxation; providing that the credit for increased research and development activities is refundable; appropriating money; amending Minnesota Statutes 2000, sections 290.01, subdivision 19b; 290.068, by adding subdivisions; repealing Minnesota Statutes 2000, section 290.068, subdivision 3.

Referred to the Committee on Taxes.

Senators Lesewski, Vickerman, Scheevel and Stumpf introduced--

S.F. No. 2025: A bill for an act relating to education; establishing alternative licensure requirements for secondary school science teachers; amending Minnesota Statutes 2000, section 122A.18, subdivision 2.

Referred to the Committee on Education.

Senator Scheevel introduced--

S.F. No. 2026: A bill for an act relating to taxation; providing for tax exemptions for a cogeneration electric generation facility using waste tires as a primary fuel; amending Minnesota Statutes 2000, sections 272.02, by adding a subdivision; 297A.25, subdivision 28; 297A.71, by adding a subdivision.

Referred to the Committee on Taxes.

Senators Sams, Vickerman, Murphy, Scheevel and Dille introduced--

S.F. No. 2027: A bill for an act relating to agriculture; changing provisions of the agriculture best management practices loan program; amending Minnesota Statutes 2000, section 17.117.

Referred to the Committee on Agriculture, General Legislation and Veterans Affairs.

Senators Johnson, Doug; Tomassoni and Day introduced--

S.F. No. 2028: A bill for an act relating to the University of Minnesota; extending competitive bidding and prompt payment requirements to the University of Minnesota; amending Minnesota Statutes 2000, sections 16A.124, subdivision 1; 16C.02, subdivision 2; 16C.25.

Referred to the Committee on State and Local Government Operations.

Senator Lourey introduced--

S.F. No. 2029: A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article V, sections 1, 3, and 4; article VIII, section 2; creating the constitutional office of commissioner of agriculture; amending Minnesota Statutes 2000, sections 10A.25, subdivision 2; 15.01; and 15.06, subdivision 1; repealing Minnesota Statutes 2000, section 17.01.

Referred to the Committee on State and Local Government Operations.

Senators Johnson, Doug; Wiger; Vickerman; Berg and Dille introduced--

S.F. No. 2030: A bill for an act relating to commerce; eliminating the motor vehicle transfer fee; repealing Minnesota Statutes 2000, section 115A.908.

Referred to the Committee on Environment and Natural Resources.

Senators Knutson and Vickerman introduced--

S.F. No. 2031: A bill for an act relating to contracts; regulating public works contracts; proposing coding for new law in Minnesota Statutes, chapter 15.

Referred to the Committee on State and Local Government Operations.

Senators Stevens, Frederickson, Lessard, Price and Krentz introduced--

S.F. No. 2032: A bill for an act relating to capital improvements; appropriating money for wetland replacement; authorizing state bonds.

Referred to the Committee on Finance.

Senators Reiter and Scheid introduced--

S.F. No. 2033: A bill for an act relating to insurance; modifying minimum education requirements for insurance agents; amending Minnesota Statutes 2000, section 60K.19, subdivision 8.

Referred to the Committee on Commerce.

Senators Sabo and Pappas introduced--

S.F. No. 2034: A bill for an act relating to early childhood education; enacting the Early Childhood Care and Education Services Act; proposing coding for new law as Minnesota Statutes, chapter 119C.

Referred to the Committee on Education.

Senator Kinkel introduced--

S.F. No. 2035: A bill for an act relating to the city of Park Rapids; extending the time period for certain activities in a tax increment financing district in the city.

Referred to the Committee on Taxes.

Senators Pogemiller; Berglin; Johnson, Doug; Rest and Murphy introduced--

S.F. No. 2036: A bill for an act relating to courts; providing for state funding of trial courts in unfunded judicial districts; amending Minnesota Statutes 2000, sections 97A.065, subdivision 2; 179A.101, subdivision 1; 179A.102, subdivision 6; 179A.103, subdivision 1; 273.1398, subdivision 4a; 299D.03, subdivision 5; 357.021, subdivision 1a; 480.181, subdivision 1; 487.33, subdivision 5; 574.34, subdivision 1.

Referred to the Committee on Judiciary.

Senator Murphy introduced--

S.F. No. 2037: A bill for an act relating to taxes; sales and use tax; exempting construction materials and equipment for a maintenance facility in the city of Hastings and for improvement of the city hall in the city of Lake City; amending Minnesota Statutes 2000, sections 297A.71, by adding subdivisions; 297A.75.

Referred to the Committee on Taxes.

Senator Pogemiller introduced--

S.F. No. 2038: A bill for an act relating to retirement; providing for payment of certain retirement contributions at certain charter schools; appropriating money.

Referred to the Committee on State and Local Government Operations.

Senators Samuelson; Johnson, Dean; Robling; Stumpf and Kleis introduced--

S.F. No. 2039: A bill for an act relating to motor vehicles; authorizing issuance of "choose life" license plates; establishing an adoption support account and appropriating money in the account to the commissioner of human services for grants to counties to support adoption; amending Minnesota Statutes 2000, section 168.1291, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Transportation.

Senators Lourey, Sams, Lesewski and Murphy introduced--

S.F. No. 2040: A bill for an act relating to agriculture; appropriating money for Minnesota farm cooperatives to continue and expand the Minnesota grown food project.

Referred to the Committee on Finance.

Senator Fischbach introduced--

S.F. No. 2041: A bill for an act relating to education finance; authorizing a school board to transfer excess revenue in the debt redemption fund to the operating capital account in the general fund; amending Minnesota Statutes 2000, sections 123B.79, subdivision 1, by adding a subdivision; 475.61, subdivision 3.

Referred to the Committee on Education.

Senator Oliver introduced--

S.F. No. 2042: A bill for an act relating to insurance; regulating disclosures of nonpublic personal information; proposing coding for new law in Minnesota Statutes, chapter 72A.

Referred to the Committee on Commerce.

Senator Ourada introduced--

S.F. No. 2043: A bill for an act relating to public safety; eliminating the automobile theft prevention program; making conforming change; amending Minnesota Statutes 2000, section 290.35, subdivision 2; repealing Minnesota Statutes 2000, section 168A.40, subdivisions 3 and 4.

Referred to the Committee on Crime Prevention.

Senator Scheevel introduced--

S.F. No. 2044: A bill for an act relating to traffic regulations; prohibiting the projection of hand-held light from a moving motor vehicle; proposing coding for new law in Minnesota Statutes, chapter 169.

Referred to the Committee on Transportation.

Senators Johnson, Dave; Terwilliger; Moe, R.D. and Scheid introduced--

S.F. No. 2045: A bill for an act relating to new sports facilities; creating a proposal review and recommendation process; proposing coding for new law in Minnesota Statutes, chapter 4A.

Referred to the Committee on State and Local Government Operations.

Senators Lesewski and Anderson introduced--

S.F. No. 2046: A bill for an act relating to workers' compensation; making technical changes; requiring interest earned on revenue collected by the special compensation fund to be deposited into the fund; extending a pilot program; providing for payment of various penalties to the commissioner of labor and industry; amending Minnesota Statutes 2000, sections 176.042, subdivision 2; 176.102, subdivisions 3a, 11, 14; 176.103, subdivision 3; 176.129, subdivisions 10, 13, by adding a subdivision; 176.1351, subdivision 5; 176.138; 176.1812, subdivision 6; 176.191, subdivision 1a; 176.194, subdivision 4; 176.221, subdivisions 1, 3, 3a, 6; 176.231, subdivisions 2, 6, 10; 176.238, subdivision 10; repealing Minnesota Statutes 2000, section 176.445.

Referred to the Committee on Jobs, Housing and Community Development.

Senator Johnson, Dean introduced--

S.F. No. 2047: A bill for an act relating to human services; providing for changes to the rate setting for deep rural facilities with low operating rates; appropriating money; amending Minnesota Statutes 2000, section 256B.431, by adding a subdivision.

Referred to the Committee on Health and Family Security.

Senator Kleis introduced--

S.F. No. 2048: A bill for an act relating to Benton county; authorizing a conveyance for no or nominal consideration to the Benton county historical society.

Referred to the Committee on Environment and Natural Resources.

Senators Sabo, Ranum, Pappas, Anderson and Berglin introduced--

S.F. No. 2049: A bill for an act relating to historical preservation; ensuring protection for the historic Camp Coldwater Springs area; proposing coding for new law in Minnesota Statutes, chapter 138.

Referred to the Committee on State and Local Government Operations.

Senator Johnson, Debbie introduced--

S.F. No. 2050: A bill for an act relating to taxes; sales and use tax; exempting construction materials and equipment for a water treatment facility in the city of Andover; amending Minnesota Statutes 2000, sections 297A.71, by adding a subdivision; 297A.75.

Referred to the Committee on Taxes.

Senators Pogemiller, Olson, Chaudhary, Bachmann and Krentz introduced--

S.F. No. 2051: A bill for an act relating to education; expanding the use of the building lease levy; amending Minnesota Statutes 2000, section 126C.40, subdivision 1.

Referred to the Committee on Education.

Senator Orfield introduced--

S.F. No. 2052: A bill for an act relating to liquor; authorizing the city of Minneapolis to issue an on-sale wine and malt liquor license for the Brave New Institute; amending Minnesota Statutes 2000, section 340A.404, subdivision 2.

Referred to the Committee on Commerce.

Senator Orfield introduced--

S.F. No. 2053: A bill for an act relating to human services; providing a rate increase for a 60-bed board and care facility located in Minneapolis; amending Minnesota Statutes 2000, section 256B.431, by adding a subdivision.

Referred to the Committee on Health and Family Security.

Senator Johnson, Doug introduced--

S.F. No. 2054: A bill for an act relating to education; appropriating money for independent school district No. 696, Ely, for a transitional transportation grant.

Referred to the Committee on Education.

Senators Johnson, Doug; Tomassoni and Stevens introduced--

S.F. No. 2055: A bill for an act relating to waste; providing for individual sewage treatment system funding; amending Minnesota Statutes 2000, sections 17.117, subdivision 5; 103F.725, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 446A.

Referred to the Committee on Environment and Natural Resources.

Senator Chaudhary introduced--

S.F. No. 2056: A bill for an act relating to transportation; providing for loan from transportation revolving loan fund to city of Mounds View for construction of sound barrier on trunk highway No. 10; amending Laws 2000, chapter 479, article 1, section 6, subdivision 2.

Referred to the Committee on Transportation.

Senator Kinkel introduced--

S.F. No. 2057: A bill for an act relating to public employment labor relations; defining health care nonprofessionals as "essential employees"; amending Minnesota Statutes 2000, section 179A.03, subdivision 7.

Referred to the Committee on State and Local Government Operations.

Senator Robling introduced--

S.F. No. 2058: A bill for an act relating to transportation; providing for design-build contracts for transportation projects; proposing coding for new law in Minnesota Statutes, chapter 161.

Referred to the Committee on Transportation.

Senator Robling introduced--

S.F. No. 2059: A bill for an act relating to health; requiring cemeteries to be registered with the commissioner of health; providing funding for enforcement of and education about preneed arrangement requirements; appropriating money; amending Minnesota Statutes 2000, section 149A.03; proposing coding for new law in Minnesota Statutes, chapters 149A; 306; 307.

Referred to the Committee on Commerce.

Senator Neuville introduced--

S.F. No. 2060: A bill for an act relating to crime prevention; expanding the scope of murder in the third degree to include the negligent homicide of a vulnerable adult; increasing the penalties for certain persons who fail to report the maltreatment of a vulnerable adult; expanding the scope of kidnapping to include certain acts involving vulnerable adults; amending Minnesota Statutes 2000, sections 609.195; 609.234, subdivision 2; and 609.25, subdivision 1.

Referred to the Committee on Crime Prevention.

Senator Neuville introduced--

S.F. No. 2061: A bill for an act relating to courts; requesting the supreme court to establish a task force to develop a plan for implementation of a state-funded central office for certain court-appointed civil counsel.

Referred to the Committee on Judiciary.

Senators Kierlin, Robling and Neuville introduced--

S.F. No. 2062: A bill for an act relating to taxation; individual income; reducing marriage penalties; amending Minnesota Statutes 2000, sections 290.067, subdivision 2a; 290.0671, subdivisions 1, 1a; 290.0802, subdivisions 1, 2; 290.091, subdivision 3.

Referred to the Committee on Taxes.

Senators Johnson, Dean; Price; Kinkel; Fowler and Langseth introduced--

S.F. No. 2063: A bill for an act relating to transportation; creating a local road improvement fund; specifying criteria for expenditures from the fund; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 174.

Referred to the Committee on Transportation.

Senators Hottinger and Frederickson introduced--

S.F. No. 2064: A bill for an act relating to unemployment insurance; providing extra benefits for certain employees.

Referred to the Committee on Jobs, Housing and Community Development.

Senator Rest introduced--

S.F. No. 2065: A bill for an act relating to local government; specifying means of financing multijurisdictional programs in Hennepin county; amending Minnesota Statutes 2000, section 383B.79, by adding a subdivision.

Referred to the Committee on State and Local Government Operations.

Senator Scheevel introduced--

S.F. No. 2066: A bill for an act relating to local government; allowing specified municipal contributions to the general fund of a volunteer firefighters relief association; amending Minnesota Statutes 2000, section 424A.06, subdivision 2.

Referred to the Committee on State and Local Government Operations.

Senator Scheevel introduced--

S.F. No. 2067: A bill for an act relating to taxes; sales and use taxes; exempting county government purchases from the sales tax and reducing county aid payments to reflect reduced county spending; amending Minnesota Statutes 2000, sections 273.1398, by adding a subdivision; 297A.70, subdivision 2.

Referred to the Committee on Taxes.

Senator Scheevel introduced--

S.F. No. 2068: A bill for an act relating to appropriations; appropriating money for a study of karst region feedlots.

Referred to the Committee on Finance.

Senator Berg introduced--

S.F. No. 2069: A bill for an act relating to appropriations; appropriating money for a study of environmental issues relating to hog feedlots.

Referred to the Committee on Finance.

Senators Hottinger, Kierlin and Kiscaden introduced--

S.F. No. 2070: A bill for an act authorizing the use of tax increment financing for mitigation related to large railroad projects; providing exemptions from certain provisions; proposing coding for new law in Minnesota Statutes, chapter 469.

Referred to the Committee on Taxes.

Senator Berg introduced--

S.F. No. 2071: A bill for an act relating to animal feedlots; providing state cost-share money for the expense of certain feedlot environmental reviews; appropriating money.

Referred to the Committee on Finance.

Senator Kleis introduced--

S.F. No. 2072: A bill for an act relating to crime; sentences; providing that offenses committed, as opposed to convictions entered, prior to a later offense are considered when sentencing certain dangerous and repeat offenders; providing for consecutive sentences for certain dangerous and repeat offenders; amending Minnesota Statutes 2000, sections 609.1095; 609.15, subdivision 1.

Referred to the Committee on Crime Prevention.

Senator Kleis introduced--

S.F. No. 2073: A bill for an act relating to the legislature; providing for even-year sessions convened by the legislature; limiting the agenda; amending Minnesota Statutes 2000, section 3.011.

Referred to the Committee on Rules and Administration.

Senator Bachmann introduced--

S.F. No. 2074: A bill for an act relating to annexation; limiting annexation of urban towns to certain processes; amending Minnesota Statutes 2000, section 368.01, by adding a subdivision.

Referred to the Committee on State and Local Government Operations.

Senator Bachmann introduced--

S.F. No. 2075: A bill for an act relating to retirement; providing certain survivor benefits under the public employees retirement association police and fire fund.

Referred to the Committee on State and Local Government Operations.

Senators Reiter, Wiger and Marty introduced--

S.F. No. 2076: A bill for an act relating to education; appropriating money for a parallel block schedule pilot project in independent school district No. 621, Mounds View.

Referred to the Committee on Education.

Senator Pogemiller introduced--

S.F. No. 2077: A bill for an act relating to higher education; modifying eligibility requirements for the state grant program; amending Minnesota Statutes 2000, section 136A.121, subdivision 2.

Referred to the Committee on Education.

Senators Kelley, S.P.; Cohen; Wiener and Kierlin introduced--

S.F. No. 2078: A bill for an act relating to higher education; appropriating money for course or curriculum redesign.

Referred to the Committee on Education.

Senator Stevens introduced--

S.F. No. 2079: A bill for an act relating to taxation; requiring payment equivalent to property tax by the commissioner of natural resources on certain state land in counties having a reduced tax base due to acreage in state ownership; amending Minnesota Statutes 2000, section 477A.12; proposing coding for new law in Minnesota Statutes, chapter 84.

Referred to the Committee on Environment and Natural Resources.

Senators Higgins and Berglin introduced--

S.F. No. 2080: A bill for an act relating to juvenile justice; requiring the court to destroy investigatory files when child protection petitions are dismissed; requiring background studies of relatives before placement of certain juveniles; amending Minnesota Statutes 2000, sections 260C.181, subdivision 2; 260C.193, by adding a subdivision.

Referred to the Committee on Judiciary.

Senators Higgins, Pappas and Berglin introduced--

S.F. No. 2081: A bill for an act relating to child development; authorizing the Martin Luther King Jr. nonviolent institutional child development program; appropriating money.

Referred to the Committee on Education.

Senators Berglin and Ranum introduced--

S.F. No. 2082: A bill for an act relating to traffic regulations; providing that certain windshield violations are not primary offenses; amending Minnesota Statutes 2000, section 169.71, subdivision 1.

Referred to the Committee on Crime Prevention.

Senators Olson, Robertson, Pappas and Wiener introduced--

S.F. No. 2083: A bill for an act relating to education; encouraging retired teachers to serve as short-call substitute teachers; amending Minnesota Statutes 2000, section 122A.18, subdivision 7a.

Referred to the Committee on Education.

RECESS

Senator Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Senator Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 57: Senators Robling, Schwab and Johnson, Dean.

Senator Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

MOTIONS AND RESOLUTIONS

Senator Chaudhary moved that S.F. No. 1984 be withdrawn from the Committee on State and Local Government Operations and re-referred to the Committee on Finance.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time and referred to the committee indicated.

Senators Murphy, Sams and Vickerman introduced--

S.F. No. 2084: A bill for an act relating to agriculture; creating an agricultural processing revolving loan account; providing funding for a germ and fiber recovery process at an existing ethanol facility; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 41B.

Referred to the Committee on Agriculture, General Legislation and Veterans Affairs.

MEMBERS EXCUSED

Senators Orfield and Pariseau were excused from the Session of today from 11:30 to 11:55 a.m.

ADJOURNMENT

Senator Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, March 28, 2001. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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1157	868	
1413	868	
1428	869	
		264
			867
		320
			865
		556
			865

INTRODUCTION AND FIRST READING OF SENATE BILLS

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