The Minnesota Legislature officially gavelled in to begin their 2023 session work on January 3rd. Twenty remarkably busy weeks later, they officially adjourned their regular session with just under two hours to spare before their mandated end time of 11:59 pm on May 22nd. This marked a departure from the recent trend of lawmakers not completing their work by the constitutional adjournment date and therefore having to either return for special sessions to complete required work or leave optional work undone.

When lawmakers reported to the Capitol to begin their work this past January, they were faced with one required assignment for session: setting the state’s upcoming two-year biennial budget. Last fall’s statewide election handed the Democratic party control of the Governor’s office, the MN House of Representatives, and the MN Senate – although with a slim one-seat majority in the Senate. This new “DFL Trifecta” pledged at the start of the session to address other issues in addition to setting the state budget, specifically those key issues they reported hearing most about when campaigning last fall. Those included the topics of gun control, access to reproductive health services, cannabis legalization, increased worker protections, and more.

An additional factor shaping the work of the 2023 session emerged a few months into session, with the release of an updated picture of the state’s finances. This analysis of the state’s financial situation showed an eye-popping budget surplus of $17.5 billion. However much of that budget surplus was made up of one-time funds, meaning dollars that would not be available to cover the costs of state commitments to permanent, ongoing funding increases.

This past session the MN House was again led by Representative Melissa Hortman, a Democrat who was returning for her fifth year as Speaker of the MN House. Members of the Minnesota Senate were led by Senator Kari Dziedzic, a Democrat who has served over a decade in the Senate but never before as Senate Majority Leader. The executive branch was led by Governor Tim Walz, a Democrat serving his fifth year as Governor.

In the end, seventy-five bills were signed into law this session. Many of those bills were large finance omnibus bills - containing many smaller bills - that collectively set the budget in all major areas of state spending. And in one of the final developments before the close of session, the 2024 legislative session start date was set for February 12th 2024.

The following pages contain summary information about provisions passed during the 2023 Regular Legislative Session of interest to the MN Home Care Association. In compiling this report, to provide the most accurate information to you, when available we used direct material from the legislation itself or put together by nonpartisan Minnesota legislative research staff. We have also included a reference to the location of the exact statutory language for each provision, to allow you to review the specific language in its entirety. As always, please do not hesitate to reach out with further questions about the following information.
Minnesota Session Law 2023, Chapter 61: Omnibus Human Services Appropriations

- **Article 1, Section 10, Creates Long Term Services and Supports Workforce Incentive grants.** The grants are made available to providers of the following services: 245D, ICF-DD, nursing home, Personal Care Assistance, Community First Services and Supports, Early Intensive Developmental and Behavioral Intervention, Home Care, Financial Management, and Customized Living. An eligible worker is one who earns $30 or less per hour. The funds can be used for retention and recruitment payments, postsecondary loan and tuition payments, childcare costs, transportation costs and more. The language details a required provider attestation and distribution plan, outlines the allowed audit and recoupment process, and clarifies the grant dollars are not to be considered income for determining worker eligibility for certain public supports.

- **Article 1, Section 11, Establishes a Technology for Home grant.** The grant program is focused on providing assistive technology consultation and technical assistance for people with disabilities who want to stay in their own home, move to their own home or remain in a less restrictive residential setting. Eligible applicants are those individuals who use or are eligible for home care services, Home and Community Based Services waivers, Personal Care Assistance, and Community First Services and Supports.

- **Article 1, Section 12, 13, 15, 16, Adds driving and accompanying the recipient as an allowed instrumental activity of daily living under the Personal Care Assistance program.** The language includes requirements for how time spent driving is documented as well as certain conditions that must be in place regarding insurance and other administrative requirements. This change is effective 90 days following federal approval.

- **Article 1, Section 14, Allows for qualified professional remote supervision under the Personal Care Assistance program in specific situations.** For recipients with chronic health conditions or severely compromised immune systems, a qualified professional is allowed to conduct the required supervision via two-way interactive audio and visual telecommunication if certain requirements are met. This is effective July 1, 2023, or upon federal approval, whichever is later.

- **Article 1, Section 23, 51, 52, Raises the weekly hourly cap on parents and spouses providing personal assistance services under the Consumer Directed Community Supports and Community First Services and Supports programs.** If multiple parents are providing personal assistance services to their minor child or children, each parent may provide up to 40 hours of personal assistance services in any seven-day period. If only one parent is providing personal assistance services to a minor child or children, or a spouse is providing services, the parent or spouse may provide up to 60 hours of services in a seven-day period. This is effective July 1, 2023, or upon federal approval, whichever is later.

- **Article 1, Section 24, Directs the MN Department of Human Services to develop and administer a survey of direct care staff.** This applies to staff of the following programs: Elderly Waiver, the four
disability waivers, Personal Care Assistance, Community First Services and Supports, Home Care, and Financial Management Services. The survey must collect information about the individual experience of the direct-care staff and any other information necessary to assess the overall economic viability and well-being of the workforce. The MN Department of Human Services is required to analyze the data annually to assess the overall economic viability and well-being of the workforce and the impact of the state of the workforce on access to services.

- **Article 1, Section 26, Aligns the reimbursement rates for Homemaker services under the four disability waivers to the reimbursement rates for Homemaker services under the Elderly Waiver.** This re-alignment results in a significant increase in the Homemaker services reimbursement rate due to a separate provision raising the Elderly Waiver Homemaker services reimbursement rate. This re-alignment is effective January 1, 2024, or upon federal approval, whichever is later.

- **Article 1, Section 29, 31, 33-40, Updates specific component values within the Disability Waiver Rate System.** The specific changes include the following and are effective January 1, 2024, or upon federal approval, whichever is later.
  - Moves the 2024 SOC and CPI adjustments from November 1, 2024 to January 1, 2024. This results in an increase 11 months sooner than previous law.
  - Subsequent SOC and CPI adjustments will occur on January 1 of every even year, rather than July 1 of every even year. This results in the increases being applied 6 months earlier every two years.
  - The data used to determine the January 1, 2024 SOC adjustment and all subsequent SOC adjustments, will be published in the spring 21 months earlier. This results in the use of data that is one year more recent than previous law.
  - The data used to determine the January 1, 2024 CPI adjustment will be one year more recent than current law, and the data used for all subsequent CPI adjustments will be six months more recent than previous law.
  - The competitive workforce factor will increase from 4.7 to 6.7 for all DWRS services.

- **Article 1, Section 42, Makes clarifications to the Disability Waiver Rate System cost reporting analysis process.** The MN Department of Human Services is instructed to release cost data in an aggregate form. Cost data from individual providers must not be released except as provided for in current law. The Department is instructed to use the cost data collected to determine compliance with the minimum threshold requirements described elsewhere in this report. The Department is required to identify providers who have not met the minimum thresholds on the department website for the year for which the providers reported their costs.

- **Article 1, Section 44, Establishes minimum percentage thresholds of a provider’s revenue generated by the Disability Waiver Rate System that must be used for direct care staff compensation.** The definition of compensation includes: wages; taxes and workers’ compensation; health insurance; dental insurance; vision insurance; life insurance; short-term disability insurance; long-term disability insurance;
retirement spending; tuition reimbursement; wellness programs; paid vacation time; paid sick time; or other items of monetary value provided to direct care staff.

The minimum percentage thresholds are as follows:

- For residential support services, a provider must use a minimum of 66 percent
- For day services, a provider must use a minimum of 45 percent
- For unit based with and without programming, a provider must use a minimum of 60 percent

This requirement is effective January 1, 2025.

- **Article 1, Section 53, 54, 55, Establishes rate increases for the Personal Care Assistance and Community First Services and Supports program.** Changes are made to specific components of the PCA/CFSS rate setting methodology relating to the wage and benefit requirements outlined in the SEIU Collective Bargaining Agreement. These wage and benefit requirements are phased in for workers covered by the SEIU CBA beginning in January of 2024. The first of these rate changes become effective January 1, 2024, or 90 days after federal approval, whichever is later. Subsequent rate changes become effective January 1, 2025. Please reach out to MHCA staff for a document outlining specific PCA/CFSS rates effective January 1, 2024, and January 1, 2025.

- **Article 1, Section 59, Makes permanent the Home and Community Based Services Provider Capacity for Rural and Underserved Communities grant.** Funding for this grant program established in the 2021 session is expanded. Eligible organizations include those that serve, or will serve, rural or underserved communities and: (1) provide, or will provide, home and community-based services in the state; or (2) serve, or will serve, as a connector for communities to available home and community-based services. Allowable grant activities include expanding existing services; increasing access in rural or underserved areas; creating new home and community-based organizations; connecting underserved communities to benefits and available services; or building new or expanded infrastructure to access Medical Assistance reimbursement.

- **Article 1, Section 60, Creates the New American Legal, Social Services, and Long-Term Care Workforce grant program.** The grant is focused on organizations that serve and support new Americans and can fund activities related to providing specialized services and supports to new Americans to enter the long-term care workforce.

- **Article 1, Section 64, 65, Ratifies the SEIU memorandums of understanding and self-directed workers Collective Bargaining Agreement.** Workers providing services under the following programs are in the SEIU bargaining unit and are covered by the bargaining agreement: Personal Care Assistance (PCA) Choice; Consumer Support Grant (CSG); Consumer Directed Community Support (CDCS); Extended Personal Care Assistance; Community First Services and Supports (CFSS) when provided through the budget model. The Collective Bargaining Agreement includes new wage floor requirements, a new tiered wage structure based on hours of work performed by a PCA, additional holidays, and more.
• **Article 1, Section 67, Establishes a Direct Care Service Corps pilot project.** The pilot project must utilize financial incentives to attract postsecondary students to work as personal care assistants or direct support professionals. The financial incentive must increase with each semester that the student participates in the Minnesota Direct Care Service Corps. Pilot sites must include one postsecondary institution in the seven-county metropolitan area and at least one postsecondary institution outside of the seven-county metropolitan area.

• **Article 1, Section 68, Implements rate increases for certain home care services.** The rate increases include the following:
  
  - For home health agency services including home health aides, rehabilitative therapies and skilled nursing, rates must be increased by 14.99 percent from the rates in effect on December 31, 2023.
  - For home care nursing, rates must be increased by 25 percent from the rates in effect on December 31, 2023.

  Both these changes are effective January 1, 2024, or upon federal approval, whichever is later.

• **Article 1, Section 71, Increases rates for Chore and Home Delivered Meals services.** Effective January 1, 2024, or upon federal approval, whichever is later, payment rates for Chore services and Home-Delivered Meals must be raised by 14.99 percent from the rates in effect on December 31, 2023.

• **Article 1, Section 77, 78, Directs the MN Department of Human Services to seek necessary changes to increase access to shared services for Chore, Homemaker, and other services.** The Department is instructed to permit shared services for certain programs, to permit existing shared services at higher ratios, to ensure individuals who would like to share services are not required to live in a licensed setting, and to issue guidance for shared services. Additionally, the Department is instructed to establish a rate system for shared Homemaker and shared Chore services.

• **Article 1, Section 82, Establishes an Acute Care Transitions advisory council.** The council is charged with advising and assisting the MN Department of Human Services in establishing and implementing a statewide vision and systemic approach to acute care transitions in Minnesota. Membership and specific duties of the council are identified, including the required submission of an action plan by October 1, 2024.

• **Article 1, Section 84, Temporarily extends the waiver allowing certain family members to be reimbursed for providing Personal Care Assistance services.** A parent, stepparent, or legal guardian of a minor who is a personal care assistance recipient or the spouse of a personal care assistance recipient may provide and be paid for providing personal care assistance services under Medical Assistance. This change is effective retroactively from May 12, 2023 and expires November 11, 2023, or upon the expiration of federal approval, whichever is later.
• **Article 2, Section 16, Establishes cost reporting for Elderly Waiver service providers.** The language requires providers to report specific cost data, and states that providers will have to do so at least once in any five-year period. The MN Department of Human Services is instructed to analyze the submitted cost reporting data and can use it to submit recommendations on the rate methodologies for Elderly Waiver services.

• **Article 2, Section 17, Implements spending requirements for increased rates for Elderly Waiver services, including Homemaker services.** At least 80 percent of the marginal increase in revenue from the implementation of any rate adjustments must be used to increase compensation-related costs for employees directly employed by the provider. Compensation-related costs include: (1) wages and salaries; (2) the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, and mileage reimbursement; (3) the employer's paid share of health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, pensions, and contributions to employee retirement accounts; and (4) benefits that address direct support professional workforce needs above and beyond what employees were offered prior to the implementation of any rate adjustments in this provision, including any concurrent or subsequent adjustments to the base wage indices. Compensation-related costs for persons employed in the central office of a corporation or entity that has an ownership interest in the provider or exercises control over the provider, or for persons paid by the provider under a management contract, do not count toward the 80 percent requirement.

A provider agency or individual provider that receives additional revenue subject to these requirements must prepare, and upon request submit to the MN Department of Human Services, a distribution plan that specifies the amount of money the provider expects to receive that is subject to these spending requirements, including how that money was or will be distributed to increase compensation-related costs for employees. Within 60 days of final implementation of the new rate, the provider must post the distribution plan and leave it posted for a period of at least six months in an area of the provider's operations to which all employees have access. The posted distribution plan must include instructions regarding how to contact the commissioner, or the commissioner's representative, if an employee has not received the compensation-related increase described in the plan. This requirement is effective January 1, 2024, or upon federal approval, whichever is later.

• **Article 2, Section 18-34, Implements rate increases for services provided under the Elderly Waiver, including Homemaker services.** Changes are made to the Standard Occupational Codes that make up the base wage index for Elderly Waiver services reimbursement rates, as well as to the program related reimbursement rate factors and the phase in proportion of the new rate system. These changes are effective January 1, 2024, or upon federal approval, whichever is later.

• **Article 2, Section 37, Requires the MN Department of Human Services to undertake an actuarial analysis of Medical Assistance costs for establishing a rate for the program of all-inclusive care for the elderly (PACE).** The analysis must include all sources of state Medical Assistance expenditures for nursing home eligible beneficiaries. The report on the actuarial analysis, proposed capitation rate, and estimated administrative costs must be submitted to the legislature by March 1, 2024.
- Article 3, Section 1, 13, Eliminates TEFRA parental fees.
- Article 3, Section 3 and 4, Eliminates the asset limits for individuals who participate in the Medical Assistance for Employed Persons with Disabilities (MA-EPD) program.
- Article 8, Section 1-3,7-11, Creates a new separate MN Department of Direct Care and Treatment. This new state agency will oversee state operated services, and those services will no longer be overseen by the MN Department of Human Services. This MN Department of Direct Care and Treatment becomes effective January 1, 2025.

Minnesota Session Law 2023, Chapter 70: Omnibus Health and Children and Families Appropriations
- Article 1, Section 41, Article 2, Section 4, Extends the audio only telehealth option until July 1, 2025.
- Article 3, Section 32, Makes changes to the exit conference component of the survey process for home care providers. The language removes requirements that an exit conference occur on-site and that there must be documentation that the exit conference occurred. The language makes clear that the exit conference must occur within one business day after completion of survey activities. These changes are effective August 1, 2023.
- Article 3, Section 33, Implements changes to the follow-up survey process for home care providers. A requirement is removed for a follow-up survey to be conducted if the provider has any violations determined to be widespread. This is effective August 1, 2023.
- Article 3, Section 34, Makes changes to the reconsideration request timeline for home care providers. For reconsideration of a correction order issued to a home care provider, a request for reconsideration must be received by the MN Department of Health within fifteen business days after the home care provider received the correction order, rather than fifteen calendar days as in previous law.
- Article 3, Section 35, Implements changes to termination of service plan requirements for home care providers. A new requirement is added for the list of information that must be included in the written notice of termination if a home care provider terminates a client's service plan. For clients age eighteen or older, the written notice must include a statement that the client may contact the Office of Ombudsman for Long-Term Care for an advocate to assist regarding the termination and contact information for the office. There is also a requirement added for a statement, if applicable, that the termination of home care services does not constitute a notice of termination of any housing contract.
- Article 4, Section 99, Creates a Psychedelic Medicine Task Force. The task force will advise the legislature on the legal, medical, and policy issues associated with the legalization of psychedelic medicine in the state.
• **Article 4, Section 100, Requires a study on the development of a statewide registry for provider orders for life-sustaining treatment.** The MN Department of Health, in consultation with an advisory committee, must develop recommendations for a statewide registry of POLST forms to ensure that a patient's medical treatment preferences are followed by all health care providers. The registry must allow for the submission of completed POLST forms and for the forms to be accessed by health care providers and emergency medical service personnel in a timely manner for the provision of care or services.

• **Article 4, Section 105, Establishes an equitable health care task force.** The task force must examine inequities in how people access and receive health care based on race or ethnicity, religion, culture, sexual orientation, gender identity, age, or disability. The task force must identify strategies to ensure that all Minnesotans can receive care and coverage that is respectful and ensures optimal health outcomes.

• **Article 7, Section 14, Allows the MN Department of Human Services to increase background study fees commensurate with any increase in fees by the state Bureau of Criminal Apprehension.** The Department can currently increase fees commensurate with national criminal history record check fees.

• **Article 7, Sections 15-33, Raises background study fees by $2 for most MN Department of Human Services regulated programs.**

• **Article 12, Section 14, 30, Creates a new MN Department of Children, Youth and Families.** This new state agency comes into effect beginning July 1, 2024. The new department will oversee several programs currently administered by the MN Department of Human Services, the MN Department of Education, and the MN Department of Public Safety. Each of the programs that will be transitioned to the new agency are listed in Section 30 of Article 12.

• **Article 15, Section 10, Implements Information Technology projects for the MN Department of Human Services.** The specific projects include:

  - Transforming service delivery: activities to develop and maintain a person-centered human services system by increasing the ease, speed, and simplicity of accessing human services for Minnesotans, and for county, Tribal, and state human services workers.
  - Integrated services for children and families: activities to stabilize and update legacy information technology systems, modernize systems, and develop a plan for the future of information technology systems for the programs that serve children and families.
  - Medicaid Management Information System (MMIS) modernization: activities to meet federal compliance requirements and enhance, modernize, and stabilize the functionality of Minnesota's Medicaid Management Information System.
  - Provider licensing and reporting hub: activities to develop, implement, and support ongoing maintenance and operations of an integrated human services provider licensing and reporting hub.
Improving the Minnesota Eligibility Technology System (METS) functionality: activities to meet federal compliance requirements and for necessary repairs to improve the core functionality of the Minnesota Eligibility Technology System to improve the speed and accuracy of eligibility determinations and reduce the administrative burden for state, county, and Tribal workers.

**Article 16, Section 1, Establishes a Health Subcabinet.** Membership of the subcabinet consists of the commissioners of human services, commerce, management and budget, and health and the executive director of MNsure. The Health Subcabinet must coordinate state agency and, as applicable, private sector efforts to reform health care delivery and payment systems; foster sustainability in health care spending; ensure the availability of affordable and comprehensive health care coverage and health care; ensure access to high-quality health care services; and reduce disparities and inequities in the experience or outcomes of health care.

**Article 16, Section 5, Creates a Center for Health Care Affordability.** The MN Department of Health is required to establish a center for health care affordability to conduct research on and analyze the drivers of health care spending growth. The focus of the work is to increase transparency and identify strategies that help to reduce waste and low-value care; eliminate unproductive administrative spending; enhance the provision of effective, high-value care; consider the sustainability of health care spending growth and the relationship of health care spending growth to health equity; and identify delivery system, payment, and health care market reforms to increase health care affordability. To help carry out this work, the MN Department of Health may seek public input and data from health care providers. As one piece of that data, beginning April 1, 2024, each 340B covered entity must report by April 1 of each year eight data subpoints related to their participation in the federal 340B program for the previous calendar year. Beginning November 15, 2024, and by November 15 of each year thereafter, the MN Department of Health must prepare a report that aggregates the data submitted by 340B covered entities.

**Article 16, Section 9, Requires the development of an implementation plan for a direct payment system to deliver services to persons eligible for Medical Assistance as families and children and adults without children, in order to achieve better health outcomes and reduce the cost of health care for the state.** Under this plan, eligible individuals would receive services through the Medical Assistance fee-for-service system, county-based purchasing plans, or county-owned health maintenance organizations. The MN Department of Human Services must present the implementation plan for the direct payment system by January 15, 2026. A robust list of items that must be considered for the implementation plan is laid out, including whether and how the direct payment system should be expanded to deliver services and care coordination to Medical Assistance enrollees who are age 65 or older, are blind, or have a disability and to persons enrolled in MinnesotaCare. Two other required considerations are allowing eligible individuals to opt out of managed care as an alternative approach, and assessing the feasibility of a Medical Assistance outpatient prescription drug benefit carve-out.

**Article 16, Section 11, Provides for 12-month continuous Medical Assistance eligibility for children under 21 years of age and for continuous Medical Assistance eligibility for children under 6 years of age.** These changes are effective January 1, 2025 or upon federal approval, whichever is later, except that a
child under 19 years of age who is determined eligible for Medical Assistance must remain eligible for a period of 12 months beginning January 1, 2024 or upon federal approval and completion of required system changes, whichever is later.

- **Article 16, Section 13, Implements a prohibition on cost sharing and deductibles within the Medical Assistance benefit plan.** This change is effective January 1, 2024, and applies to Medical Assistance benefit plans offered, issued, or renewed on or after that date.

- **Article 16, Section 15, Extends MinnesotaCare eligibility to undocumented noncitizens.** This change is effective January 1, 2025.

- **Article 16, Section 19, Requires an analysis of the benefits and costs of a universal healthcare financing system.** The MN Department of Health is required to contract with one or more independent entities to conduct an analysis of the benefits and costs of a legislative proposal for a universal health care financing system and a similar analysis of the current health care financing system to assist the state in comparing the proposal to the current system. Specifically, the analysis must measure the performance of both the proposed Minnesota Health Plan (proposed in the 93rd Minnesota Legislature as Senate File No. 2740/House File No. 2798) and the current public and private health care financing system over a ten-year period to contrast the impact of these approaches on five different broad outcome categories. The MN Department of Health may provide interim reports and status updates, but must issue a final report by January 15, 2026.

- **Article 16, Section 20, 21, 22, Requires an actuarial and economic analysis, implementation plan, and waiver submittal regarding a health coverage public option in the state of MN.** The MN Department of Human Services must contract with one or more independent third-party actuarial firms to perform and certify actuarial and economic analyses of different public option models. The actuarial and economic analyses must include data and analyses sufficient for the commissioners of commerce, human services, health, the Board of Directors of MNSure, and the legislature to design and evaluate different public option models, including but not limited to a MinnesotaCare public option. By February 1, 2024, the MN Department of Commerce, in consultation with the MN Department of Human Services and Health and MNSure, must report on the results of the above analysis, and the MN Department of Commerce’s final recommendation for a public option. The recommendation must include an extended description of a number of public option details, including the proposed legislation the MN Department of Commerce anticipates will be necessary to implement the public option by January 1, 2027. Lastly, the MN Department of Commerce is authorized to proceed with submitting a federal 1332 waiver application based on the final recommendation above, if the legislature does not enact a law by June 1, 2024, modifying the recommendation or the commissioner of commerce's authority. If and when a federal waiver is granted and the enactment of any necessary legislation is complete, the MN Department of Commerce must implement a public option to be made available to consumers beginning January 1, 2027.
• Article 17, Section 9, Expands the definition of “controlling individual” for purposes of MN Department of Human Services’ licensing to include the president and treasurer of the board of directors of a nonprofit corporation.

• Article 17, Section 10, Modifies the definition of “owner” for purposes of MN Department of Human Services licensing. It is clarified that the “owner of an employee stock ownership plan” means the president and treasurer of the entity. It is also clarified that a nonprofit corporation issued a license under the licensing chapter is designated as an owner.

• Article 17, Section 13, Requires that MN Department of Human Services license holders document the first date that a background study subject has direct contact with a person served by the license holder’s program. Providers are required to either maintain documentation of the first contact in personnel files or provide the documentation to the commissioner upon request. This clarification is effective January 1, 2024.

• Article 17, Section 14, Makes changes to the MN Department of Human Services’ process for determining licensing sanctions after a final order affirming an immediate suspension.

• Article 17, Section 15, Allows the MN Department of Human Services to suspend a license if persons served by a program are at imminent risk of harm while investigations or judicial proceedings that are necessary for determining a final licensing sanction are ongoing.

• Article 17, Section 21-25, 30, Contains a number of clarifying changes for purposes of MN Department of Human Services background studies. The changes include adding license holder to the definition of “entity” for background study purposes, clarifying the definition of “employee” and “volunteer”, and adding reference to the Bureau of Criminal Apprehension consent and self-disclosure procedures. The changes also require personnel pool agencies, temporary personnel agencies, and professional services to employ the individuals providing direct care services and require those individuals to be affiliated in NETStudy 2.0 and subject to oversight and direct supervision by the entity. It is also clarified that an entity with which the background study subject is seeking affiliation must initiate the NETStudy 2.0 background study.

• Article 17, Section 44, Expands the individuals against whom the MN Department of Human Services may impose sanctions to include any individual or entity that receives Medical Assistance payments or provides goods or services for which Medical Assistance payment is made.

Minnesota Session Law 2023, Chapter 22: DHS Public Health Emergency Transition Procedures Establishment

• Provides the MN Department of Human Services with certain authorities and funding to assist with the transition away from the temporary Medical Assistance and MinnesotaCare eligibility modifications in place during the federal public health emergency back to the standard Medical
**Assistance and MinnesotaCare eligibility processes.** Timelines for resumption of renewal activities are laid out, a temporary disregard of assets for certain Medical Assistance enrollees is established, and grants to MNSure navigator organizations are allocated.

**Minnesota Session Law 2023, Chapter 50:** Omnibus Human Services Policy

- **Article 1, Section 36, Expands the eligibility for the Home and Community Based Workforce Development Grants passed during the 2021 first special session.** The earning limit for direct care workers eligible for these funds is raised to 300 percent or less of the federal poverty level, increased from the 200 percent cap put in place when the grants dollars were passed into law in 2021. There is also a clarification that this grant money should not be considered when determining a direct care worker’s eligibility for public assistance.

**Minnesota Session Law 2023, Chapter 53:** Omnibus Jobs, Economic Development, and Labor Appropriations

- **Article 6, Makes covenants not to compete void and unenforceable outside of certain situations involving the sale or dissolution of a business.** The change is effective July 1, 2023 and applies to contracts and agreements entered into on or after that date.

- **Article 12, Establishes an Earned Sick and Safe Time benefit.** Effective January 1, 2024, this law will require employers to provide paid sick and safe time leave to employees who work in the state. An employee must be allowed to accrue a minimum of one hour of earned sick and safe time for every 30 hours worked up to a maximum of 48 hours of earned sick and safe time in a year. Employees may not accrue more than 48 hours of earned sick and safe time in a year unless the employer agrees to a higher amount. The language outlines how the earned sick and safe time may be used, employer requirements, and interactions with current sick and safe time benefits an organization may already be offering. This change is effective January 1, 2024. This earned sick and safe time benefit is separate from the new Family and Medical Leave benefit covered elsewhere in this report.

**Minnesota Session Law 2023, Chapter 57:** Omnibus Commerce Appropriations

- **Article 2, Section 62, Requires the use of standard timely filing deadlines by Managed Care Organizations with contracts under Medical Assistance and MinnesotaCare.** The Commissioner of the MN Department of Human Services must require that managed care plans use a six-month timely filing standard and provide an exemption to the timely filing timeliness for the resubmission of claims where there has been a denial, request for more information, or system issue. This change will take effect upon the next issuance or renewal of contracts between managed care plans and the MN Department of Human Services.

**Minnesota Session Law 2023, Chapter 59:** Family and Medical Benefit Insurance
Articles 1-3, Establishes a Paid Family and Medical Leave program. Beginning January 1, 2026, a new paid family and medical leave benefit will start for Minnesotans. Employees will be able to take up to 12 weeks of medical leave or family leave for a single qualifying event, or up to 20 weeks of combined medical and family leave if an employee has more than one qualifying event in the same claim year. The paid family and medical leave program will be overseen by the MN Department of Employment and Economic Development. The financing for the program will come through premiums set at 0.7% of an employee’s taxable wages. Employers may charge a maximum of half this premium (or 0.35%) to their employees through a wage deduction. Employers with thirty or fewer employees and less than $3,000,000 in gross annual revenues may apply for grants related to implementation of the new benefit, and the quarterly employer premium is somewhat reduced for employers with fewer than thirty employees. Lastly, a small amount of funds to assist with the cost of this program in human services organizations is set aside for the MN Department of Human Services to administer through the Home and Community Based Services workforce incentive fund.

Minnesota Session Law 2023, Chapter 62: Omnibus State Government Appropriations

Article 2, Section 120, Establishes a Legislative Task Force on Aging. The task force is charged with reviewing and developing state resources for an aging demographic; identifying and prioritizing necessary support for an aging population through statewide and local endeavors for people to remain in their communities; and ensuring all aging-related state policies are inclusive of race, gender, ethnicity, culture, sexual orientation, abilities, and other characteristics that reflect the full population of the state. Duties and membership of the task force are identified, as is a requirement that the task force submit a report to the legislature by January 15, 2025.

Minnesota Session Law 2023, Chapter 63: Cannabis Finance and Policy

Legalizes adult use cannabis, establishes a system for a legal, taxed, and regulated cannabis industry, makes modifications to the existing legal medical cannabis and adult use hemp derived tetrahydrocannabinol (THC) markets, and establishes a process to expunge many lower level cannabis convictions. Beginning August 1, 2023, the legislation will allow Minnesotans to possess and use certain amounts of cannabis and cannabis products. The legislation allows adults age twenty-one and older to possess or transport up to 2 ounces of cannabis flower, 8 grams of concentrate and 800 milligrams of edible product. An adult may also possess up to two pounds of cannabis flower in a private residence. Minnesota will continue to have a Medical Cannabis program, which will move from the Minnesota Department of Health to the Office of Cannabis Management effective March 1, 2025.

Minnesota Session Law 2023, Chapter 74: Nursing Facility Rates and Hospitals Qualifying Avoidable Patient Days

Section 4, Provides onetime funding for partial reimbursement to hospitals for qualifying avoidable patient days. Beginning July 1, 2023, the MN Department of Human Services is required to make payments to hospitals to partially reimburse them for qualifying avoidable patient days, in which a high-acuity patient was boarded in an emergency department or kept in the hospital because the hospital could
not identify a setting to which the patient could be safely released or discharged. The payments must be up to $1,400 per qualifying avoidable patient day.