

**SENATE  
STATE OF MINNESOTA  
NINETY-THIRD SESSION**

**S.F. No. 3133**

(SENATE AUTHORS: PUTNAM and Housley)

DATE  
03/27/2023

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Introduction and first reading  
Referred to Health and Human Services

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to human services; increasing rates to providers of board and lodging with  
1.3 special services; amending Minnesota Statutes 2022, section 256I.05, subdivisions  
1.4 1c, 1d.

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

1.6 Section 1. Minnesota Statutes 2022, section 256I.05, subdivision 1c, is amended to read:

1.7 Subd. 1c. **Rate increases.** An agency may not increase the rates negotiated for housing  
1.8 support above those in effect on June 30, 1993, except as provided in paragraphs (a) to ~~(f)~~  
1.9 (g).

1.10 (a) An agency may increase the rates for room and board to the MSA equivalent rate  
1.11 for those settings whose current rate is below the MSA equivalent rate.

1.12 (b) An agency may increase the rates for residents in adult foster care whose difficulty  
1.13 of care has increased. The total housing support rate for these residents must not exceed the  
1.14 maximum rate specified in subdivisions 1 and 1a. Agencies must not include nor increase  
1.15 difficulty of care rates for adults in foster care whose difficulty of care is eligible for funding  
1.16 by home and community-based waiver programs under title XIX of the Social Security Act.

1.17 (c) An agency must increase the room and board rates each year when the MSA equivalent  
1.18 rate is adjusted for SSI cost-of-living increases by the amount of the annual SSI increase,  
1.19 less the amount of the increase in the medical assistance personal needs allowance under  
1.20 section 256B.35.

1.21 (d) An agency may increase the rates for residents in facilities meeting substantial change  
1.22 criteria within the prior year. Substantial change criteria exist if the establishment experiences

2.1 a 25 percent increase or decrease in the total number of its beds, if the net cost of capital  
2.2 additions or improvements is in excess of 15 percent of the current market value of the  
2.3 residence, or if the residence physically moves, or changes its licensure, and incurs a resulting  
2.4 increase in operation and property costs.

2.5 (e) Until June 30, 1994, an agency may increase by up to five percent the total rate paid  
2.6 for recipients of assistance under sections 256D.01 to 256D.21 or 256D.33 to 256D.54 who  
2.7 reside in residences that are licensed by the commissioner of health as a boarding care home,  
2.8 but are not certified for the purposes of the medical assistance program. However, an increase  
2.9 under this clause must not exceed an amount equivalent to 65 percent of the 1991 medical  
2.10 assistance reimbursement rate for nursing home resident class A, in the geographic grouping  
2.11 in which the facility is located, as established under Minnesota Rules, parts 9549.0051 to  
2.12 9549.0058.

2.13 (f) Notwithstanding the provisions of subdivision 1, an agency may increase the monthly  
2.14 room and board rates by \$50 per month for residents in settings under section 256I.04,  
2.15 subdivision 2a, paragraph (b), clause (2). Participants in the Minnesota supportive housing  
2.16 demonstration program under section 256I.04, subdivision 3, paragraph (a), clause (3), may  
2.17 not receive the increase under this paragraph.

2.18 (g) Notwithstanding the provisions of subdivision 1, beginning July 1, 2023, an agency  
2.19 may increase the monthly room and board rates by 16 percent per month from the rates in  
2.20 effect June 30, 2023, for facilities licensed and registered by the Department of Health under  
2.21 section 157.17.

2.22 Sec. 2. Minnesota Statutes 2022, section 256I.05, subdivision 1d, is amended to read:

2.23 Subd. 1d. **Certain facilities for mental illness or substance use disorder;**  
2.24 **rates.** Notwithstanding the provisions of subdivisions 1a and 1c, a county agency may  
2.25 negotiate a supplementary service rate in addition to the board and lodging rate for facilities  
2.26 licensed and registered by the ~~Minnesota~~ Department of Health under section 157.17 prior  
2.27 to December 31, 1996, if the facility meets the following criteria:

2.28 (1) at least 75 percent of the residents have a primary diagnosis of mental illness,  
2.29 substance use disorder, or both, and have related special needs;

2.30 (2) the facility provides 24-hour, on-site, year-round supportive services by qualified  
2.31 staff capable of intervention in a crisis of persons with late-stage inebriety or mental illness  
2.32 who are vulnerable to abuse or neglect;

2.33 (3) the services at the facility include, but are not limited to:

- 3.1 (i) secure central storage of medication;
- 3.2 (ii) reminders and monitoring of medication for self-administration;
- 3.3 (iii) support for developing an individual medical and social service plan, updating the
- 3.4 plan, and monitoring compliance with the plan; and
- 3.5 (iv) assistance with setting up meetings, appointments, and transportation to access
- 3.6 medical, chemical health, and mental health service providers;
- 3.7 (4) each resident has a documented need for at least one of the services provided;
- 3.8 (5) each resident has been offered an opportunity to apply for admission to a licensed
- 3.9 residential treatment program for mental illness, substance use disorder, or both, have refused
- 3.10 that offer, and the offer and their refusal has been documented to writing; and
- 3.11 (6) the residents are not eligible for home and community-based services waivers because
- 3.12 of their unique need for community support.
- 3.13 ~~Until June 30, 2002, the~~ Beginning July 1, 2023, supplementary service rate of qualifying
- 3.14 facilities under this subdivision may be increased by up to ~~15~~ 83 percent of the supplementary
- 3.15 service rate in effect on ~~January 1, 2001~~ June 30, 2023, for the facility. Qualifying facilities
- 3.16 with no supplementary service rate may negotiate a supplementary service rate not to exceed
- 3.17 \$300 per month.