

Participant Guide

A keep-and-reference handout for 2025–2026 Minnesota Legal Update for Designated Managers & Coordinators (LU-02). CareCertify · MN 2026 Legal Update Series · 1.5 CE Hours · Audience: Designated Managers / Coordinators.

Why this matters

The 2025–2026 sessions moved Minnesota decisively into a program-integrity era: new crimes, new fees, a licensing moratorium, EVV enforcement, and a wave of Aug 1, 2026 policy deadlines. Nearly every duty routes through the DM/DC role. This guide is your compliance calendar — assign an owner to every line.

Compliance calendar

- Aug 1, 2025 — kickback crime (§609.542); pre-contact drug/alcohol training; guardianship ban; fraud disqualification (7/1/25); immediate suspension for fraud investigations (7/1/25).
- Jan 1, 2026 — 245D moratorium; \$4,200 application/CHOW fees; EVV 50% floor + HHAX enrollment.
- May 2026 — never-restrictable environmental rights; §245D.10 subd. 4 notice duties; new background-study disqualifiers.
- Jul 1, 2026 — EVV 80% threshold; card fees on background studies.
- Aug 1, 2026 — minor-child rights; VAA definitions; 90-day training grace; 60-day nonpayment rule; ICS commissioner notices; §245D.097 housing accounts.
- Oct 2026 — EVV corrective-action notices below 80%.
- Jan 1, 2027 — ICS moratorium; conditional-license reforms + public correction-order report; 6% admin-fee cap.

Licensing & enforcement

- Moratorium: no new applications or added services; lead-agency/Tribal-Nation exception only; grant ≠ license.
- Report every ownership change before closing (CHOW, \$4,200).
- Expect Early-and-Often TA visits (first ~3 months in; report, not correction order).
- Fraud investigations of controlling individuals can trigger temporary immediate suspension.
- High-risk designation: fingerprints (owners ≥5%), unannounced inspections, 90-day enrollment withhold, surety bonds.

EVV oversight routine (monthly)

- Pull HHAX compliance report on the 25th; check MN-ITS mailbox.
- Identify staff/clients driving manual entries; coach and retrain within the cycle.
- Keep live-in caregiver designations documented and entries same-day/tagged.
- Enforce individual credentials absolutely — shared logins are falsification.
- Sanctions run through §256B.064: denial, withhold, recovery, payment stop. "Confirmed ≠ compliant."

Program integrity

- Screen marketing, referral, tenancy, and housing arrangements against §609.542 (both directions).
- A felony kickback conviction is now a 15-year-tier background-study disqualifier.
- §245D.097 housing accounts (8/1/26): per-person accounts, dedicated subaccount, direct payment to owner, monthly statements to person + case manager, DHS on demand; survives service termination.

- Re-verify background studies for every owner, manager, and biller; budget the new fees (\$13.50 IDEMIA; card service fees).

Policy updates due before Aug 1, 2026

- Suspension/termination policy: 60-day public-benefits interruption is NOT nonpayment; ICS terminations need commissioner notice.
- Intake packet: policies affecting rights to person + legal representative + case manager within 5 working days (incl. EUMR for basic-support).
- Rights: audit all restriction addenda — environmental rights (clean/safe/hazard-free/standards) can never be restricted; valid restrictions need justification + restoration plan + your approval.
- Minor-child rights: policies, respite procedures, residential handbooks under the "reasonable and prudent parenting" standard.
- Abuse-prevention plan & reporting policy (§245A.65): new abuse and financial-exploitation definitions; internal-review template updated.

Training systems

- Pre-contact proof: drug/alcohol policy training date must precede first direct contact (employees, subcontractors, volunteers).
- Configure the 90-day annual-training grace as a safety net, not a deadline.
- Document positive-support qualification routes (DHS competency program / supervised experience / degree; "licensed behavior analyst").
- Audit test: every record proves WHO, WHAT, BEFORE-WHEN in one report.

Money

- DWRS growth capped (CPI-U reference, up to 4%); confirm operative 2026 framework values on DHS pages.
- Cost reports: DHS may reject deficient reports; validation responses due in 30 days or payment suspension.
- Waiver Reimagine: delayed, phased, 12-month advance budget info guaranteed; comment on the waiver application (expected late summer 2026).

Remember

- Calendar + owner for every date.
- 80% EVV or October letters.
- Nothing of value for referrals — ever.
- Aug 1 policy wave: rights, notices, VAA, housing accounts.
- Cost report = payment-critical.

Legal references

Minn. Stat. §245D.081; §245D.04 subd. 3–4; §245D.10 subd. 3–4; §245D.097; §245D.12; §245A.04; §245A.042; §245A.07; §245A.10; §245A.65; ch. 245C (§§245C.03–.24); §256B.073 (EVV); §256B.04 & §§256B.045–.046; §256B.4914 (DWRS); §609.542; §626.557/.5572; Laws 2025 ch. 38; Laws 2025 1st Spec. Sess. ch. 9; Laws 2026 ch. 95 & ch. 121.

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