2018 Legislative Session Summary

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2018 Legislative Session Overview

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A Divided Government with Competing Priorities

The 2018 Legislative Session started off with Representative Tony Cornish (R, 23B) and Senator Dan Schoen (D, 54) resigning their seats under the cloud of scandal, all but assuring that the ever-changing workplace harassment issue would not be ignored for another year. Special elections were held in mid-February with Karla Bigham (D, 54) keeping Senator Schoen’s seat under DFL control and keeping the GOP Senate majority at one seat (34–33). Jeremy Munson (R) was elected to replace Tony Cornish, maintaining the Republican 20-seat majority (77–57) in the House.

Governor Dayton (DFL) remained the governor, with the Lieutenant Governor position filled by Sen. Michelle Fischbach (R, 13), who kept her seat in the Senate until after Session’s end, due to the appointment of Tina Smith to the United States Senate. This increased tensions and lawsuits were filed, but no ruling was issued due to issues with the ripeness of DFL claims against Fischbach.

The legislature convened for the year on February 20, 2018. This was the second session of the biennium, meaning it was a “short” session to be focused mainly on policy issues and a Capital Investment Bill. There was a lot to get done in a short period of time. With the biennial budget already in place, this session’s first priority was a tax conformity bill to align Minnesota law with changes made on the Federal level. Even an issue with obvious benefits to almost all Minnesotans was mired in controversy from the get-go.

The February budget forecast brought good news: the state had a projected $329 million surplus for the biennium. Republicans and Democrats had significantly different ideas on how the surplus should be spent, leading to debate over competing priorities. Republicans prioritized tax relief, aid to local governments and transportation. Governor Dayton, on the other hand, wanted to invest in security improvements for schools, expanding access to pre-K and child care, with the largest portion of the surplus ($206 million) left unspent to go to the reserve fund. Passage of a Supplemental Budget Bill was discussed, but ultimately vetoed by Governor Dayton.

Early on, legislators focused heavily on the effects of opioids in Minnesota. Proposals included the creation of an Opiate Stewardship Advisory Council, requiring drug manufactures to pay a stewardship fee and setting a prescription quantity limit. After a rapid increase of the number of local governments discussing Tobacco 21, Representative Dario Anselmo (R, 49A) introduced a Tobacco 21 bill, which ended up garnering bipartisan support but not a hearing. Sex trafficking also became a hot topic, with a focus put on training hotel employees on how to spot and report any suspected trafficking activities.

Throughout session, tax conformity remained high profile for both parties, but the House & Senate Proposals could not get the support of the Governor. Governor Dayton stated his reason for the veto was because the House and Senate had not provided the emergency funding to schools he had asked for. During the last hours of session, the House and Senate passed a second tax bill which contained conformity with federal tax law. To respond to Governor Dayton’s concerns the bill also provided $50 million in new funding for schools from the reserve fund and $20 million for school safety measures.
On May 23rd, this second bill was vetoed. In his veto letter, the Governor cited inadequate funding for schools and “little in tax reductions to low-and middle-income families and instead prioritizes rate cuts that benefit wealthy Minnesotans the most” among his reasons for vetoing the bill.

Most of the bills got held over and as session progressed were rolled into larger Omnibus bills. In the end, the Health and Human Services Omnibus bill was rolled into a bill that contained provisions on jobs, economic growth, environment, energy, education, transportation and public safety. Governor Dayton released a 19-page list of objections to the initially released Supplemental Budget Bill. With many of the objections addressed and edits being made into the last moments of session. With the midnight deadline only minutes away, the House and Senate voted to approve a 989-page, Supplemental Omnibus Budget Bill, jokingly tagged “Omnibus Prime”. This bill went down as the longest bill ever passed in Minnesota history. The bill was sent to Governor Dayton’s desk with few expecting his signature.

On May 23rd, Governor Dayton vetoed the omnibus supplemental budget bill. In his veto letter, the Governor cited failures to strengthen elder abuse laws and too little to combat the opioid epidemic as reasons for his veto.

Among the successes, a $1.459 Billion bonding bill was sent to the governor and was signed on May 30th. Although the bill only provided half of the General Obligation Bond funding Governor Dayton originally proposed, the final compromise bill provides funds to build and repair public buildings, roads, bridges, and sewer and water systems. It also included $28 million for behavioral health crisis facilities and $30 million in supportive housing for individuals with behavioral health needs.

On May 31st, Governor Dayton signed the last bill of his career as governor, stating it was “a great one to end on”. This bill will stabilize pension funds for 511,000 current and retired state workers. Many cite the session as a failure, with little being accomplished. Less than 100 total bills were passed and signed throughout the whole session.

Moving Forward

Many are calling on Governor Dayton to call a special session to pass a tax conformity bill. In mid-April the governor stated he has no intent to call a special session and encouraged the legislature to send him something he could sign before the end of session. The governor appears to be sticking to his position and, so far, has not indicated willingness to call legislators back to Saint Paul. Most commentators say a special session is unlikely, but if called, would not likely happen until after the election in November.

Throughout the interim months, LPHA will continue to work with members, state agencies and partners to educate legislators and their staff on the core services mandated to local public health agencies by state statute and the importance of increasing investments in local public health funding. We will revisit LPHA’s legislative platform and prepare for the 2019 session, which will begin on January 8. The 2019 session will be a budget year. LPHA members are encouraged to stay in contact with their legislators during the interim months and invite them to learn more about your local services by scheduling a site visit with local public health staff.
Local Public Health Grant Funding

- LPHA supports a significant, statewide increase in funding for the Local Public Health Grant to restore local capacity to maintain core state-mandated services, address emerging public health issues, and relieve local tax levies.

- Minnesota’s local public health system serves to protect and promote the health and safety of our communities, but an over-reliance on local tax levies and a series of funding cuts have stressed the system to a breaking point.

- Infectious disease threats like measles, syphilis and tuberculosis, as well as mental health, opioid abuse, child maltreatment and abuse, terrorist attacks and concerns of drinking water safety are just some of the public health priorities facing communities today; but insufficient funding from the state means agencies are ill-equipped to respond.

- The Local Public Health Grant is one of the state’s main investments in the local public health system and core responsibilities mandated by state statute. The Grant provides local control to meet state mandates and address emerging public health priorities, but it makes up just 6% of expenses, compared to 47% from locals.

- Nearly half of funding for Community Health Boards (47%) comes from local funds. This includes local tax levies, which make up the single largest funding source for local public health (accounting for more than $108 million or 32% of all expenditures).

- An increase to the Local Public Health Grant is necessary to restore local capacity to maintain core, state-mandated services, address emerging public health issues and relieve local tax levies.

**Action Taken:** LPHA worked to educate legislators and agency staff on the importance of funding for the Local Public Health Grant. Although not a budget year, LPHA still kept the Local Public Health Grant at the top of our agenda.

**Outcome:** No new funding was proposed or included in bills this session. Legislators were educated on the importance of the grant and understand it is a priority for Local Public Health in the next session. **No bill introduced.**

Telehealth for Infectious Disease Investigation, Prevention & Treatment

- Local public health is mandated by state statute (MN Stat. § 145A) to prevent the spread of infectious diseases.

- For diseases like tuberculosis (TB), this may require directly observed therapy (DOT), whereby a public health nurse or registered nurse observes a client ingesting medication. Depending
on risk factors and a client’s treatment regimen, daily DOT may be necessary for 6 months or more. The staff time and travel-related expenses associated with this type of treatment come at a significant cost, particularly in rural areas of the state.

- Local public health providers are currently able to bill up to 7 days per week for services, like directly observed therapy, that are provided in-person to treat and control infectious disease; and certified community health workers are currently eligible to bill MA for in-person services.

- Current statute allows local public health providers to bill MA three times per week per enrollee for telemedicine to treat infectious diseases.

- “Virtual DOT” (VDOT) can promote cost efficiencies and reduce barriers to treatment that, in turn, prevent further spread of an infectious disease.

- VDOT and its benefits are currently restricted by statutory language limiting MA coverage to three telemedicine services per enrollee per week (MN Stat. § 256B.0625, Subd. 3b).

- A revision to the telemedicine statute to allow local public health providers to bill MA more than three times per week per enrollee and adding certified community health workers to the list of eligible telemedicine providers would promote cost efficiencies and reduce barriers to treatment at the local level that would better support local public health’s efforts to prevent the spread of infectious disease.

**Action Taken:** LPHA advocated for a bill that would allow local public health providers to bill up to seven days when treating tuberculosis via telemedicine. HF2919/SF2765, as introduced, extended beyond just TB and included telemedicine privileges to Community Health Workers

**Outcome:** HF2919/SF2765 was included in the Omnibus Supplemental Budget Bill. The bill, ultimately, extended the use of telemedicine from three to seven days when treating tuberculosis but did not include community health workers on the list of eligible telemedicine providers due to a prohibitive fiscal cost. The **Omnibus Supplemental Budget Bill was vetoed on May 23, 2018.**

### Health Care Access Fund & Provider Tax

- The Health Care Access Fund (HCAF) was established to increase access to health care, contain health care costs, and improve the quality of health care services for Minnesotans.

- The fund supports Minnesota Care, which provides health coverage to adults in households with incomes between 138 and 200 percent of federal poverty guidelines, as well as Medical Assistance, quality improvement initiatives, and public health prevention strategies through the Statewide Health Improvement Partnership.

- The provider tax is the largest source of revenue to the HCAF but is scheduled to sunset in December 2019.

- Allowing the provider tax to expire without identifying an alternative funding source would jeopardize access to health care for thousands of Minnesotans and threaten prevention programs needed to curb rising health care costs. Counties and cities, which provide safety net services, may in turn see significant cost shifts to try to fill the gap.
• LPHA supports reinstating the provider tax in the absence of an alternative funding source for the Health Care Access Fund.

**Action Taken:** LPHA advocated for elimination of the Provider Tax Sunset while working with partners to educate elected members and agency staff to the significant issues that lie ahead, absent adequate funding.

**Outcome:** No action was taken to eliminate the Sunset or establish a new source of funding for the HCAF.

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**Opioid and Substance Abuse Prevention**

• The opioid epidemic is a complex public health problem and requires a collaborative response.
• To change current trends, we must work along the full continuum of care, from public health prevention to treatment.
• The most upstream policies aim to prevent the abuse of opioids and other substances from occurring in the first place and may include: youth prevention, public awareness, provider education, and safe disposal of prescription drugs.
• Local public health agencies are a key partner in community efforts to combat the opioid epidemic and other substance abuse; but with a lack of state and federal investments in public health prevention, their outreach has been limited and heavily reliant on local tax levies.
• LPHA supports policies and new funding that address opioid and substance abuse through public health prevention.

**Action Taken:** During session, an Opiate Stewardship Advisory Council was proposed, including representation from various sectors. LPHA advocated for local public health to be one of the represented sectors. The Senate’s proposal didn’t include local health department representation on the council; the House companion bill did after a strong lobbying effort by LPHA. However, in the final bill, local health department representation was not included.

**Outcome:** The bill for the Opiate Stewardship Advisory Council bill was tied to the passage of the Omnibus Supplemental Budget bill that was vetoed by the governor. As a result of that veto, this bill will not go into effect. *No bill was passed this session.*

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**Promoting Healthy Communities & Healthy Behaviors**

• The Minnesota Legislature has made strong investments in promoting healthy communities and healthy behaviors through categorical funding programs, including family home visiting and the Statewide Health Improvement Partnership (SHIP).
• Public health prevention programs such as these are critical to addressing the leading causes of preventable death and disease and helping to ensure children grow up physically, socially and emotionally healthy and ready to learn.
• Based on evidence and best practices, these investments are critical to reducing long-term costs to state and local governments.

**Action Taken:** LPHA educated legislators on the importance of family home visiting and SHIP. As part of the Supplemental Omnibus Budget bill, the legislature proposed to divert funds from SHIP to pay for a tobacco cessation program at MDH. LPHA advocated for paying for the program with General Fund dollars. The bill also altered the funding structure for family home visiting, requiring both evidence-based home visiting and culturally or ethnically focused programs.

**Outcome:** Legislators were educated on the importance of family home visiting and SHIP. The Supplemental Omnibus Budget bill was vetoed, provisions on SHIP and family home visiting will not go into effect.
The 989-page, Omnibus Supplemental Budget Bill was passed in the last minutes of session. In addition to Health and Human Services, the bill contained provisions on jobs, economic growth, environment, energy, education, transportation and public safety. The entirety of the bill was vetoed by Governor Dayton on May 23, 2018. You can see the veto letter for the omnibus budget bill [here](#). The information below is a brief summary of LPHA’s priorities included in the bill.

**Disability Waiver Rate System (DWRS).** The bill included a fix to the pending rate cut to certain providers of disability services. The federal Centers for Medicare and Medicaid Services disagreed with the state’s rate setting policy, which included 7 percent rate increases approved previously by the Legislature. The veto results in the loss of a federal match and a rate cut to the reimbursement rates for providers, starting July 1. The rate cuts will require counties to modify service agreements to reflect changed rates.

**Elder Care and Vulnerable Adult Protections.** Following the state auditor’s report and a Governor’s Task Force recommending changes to the state’s elder care system, lawmakers added language that would have created workgroups to make recommendations, improved reporting practices, allowed for electronic monitoring in resident rooms, stiffened penalties against abuse, and strengthened protections against retaliation and deceptive marketing practices.

**Family Home Visiting.** The bill would have modified the Home Visiting Statute to require 75 percent of grant funds to go to evidence-based home visiting programs and up to 25 percent of grant funds to culturally or ethnically targeted home visiting programs.

**Medicine Disposal Programs.** This provision would have made the following alterations to current state law:

- Permitted the sheriff of each county to implement a medicine disposal program as an alternative to the requirement that each sheriff maintains at least one collection receptacle for the disposal of prescription drugs.
- Defined a medicine disposal program as providing educational information and making materials available for safely destroying unwanted prescription drugs.

**MNCHOICES.** This provision would have directed the Department of Human Services to work with counties to develop benchmarks and collect data in order to identify potential efficiencies and more cost effective approaches to the assessment process. The approach was a step toward improving efficiencies with the assessment process.

**Opioid Abuse Prevention.** The bill included various policy proposals and $16 million in funding to address opioid abuse. The bill would have:
• Set requirements for prescribers to obtain continuing education credit on best practices in prescribing opioids and controlled substances.
• Prohibited opioid from being distributed more than 30 days after a prescription was issued.
• Set prescribing limits.
• Funded a pilot project for community paramedics to reduce overdoses.
• Created grants for opioid education.
• Provided resources for first-responders dealing with overdoses.
• Enhanced the Prescription Monitoring Program.
• Required the Board of Pharmacy to submit a report annually on opioid prescribing trends.

**Rare Disease Council.** This proposal would have established a Rare Disease Council at the University of Minnesota.

**Suicide Prevention.** This portion of the bill would have provided grant funds for a nonprofit organization that provides crisis telephone counseling services across the state to people in suicidal crisis or emotional distress.

**Telemedicine.** This LPHA priority policy would have expanded the limits on medical assistance benefits to pay for telemedicine services related to tuberculosis treatment from three to seven days.

**Tobacco Cessation.** Because of the winding down of QuitPlan Services in 2019, the legislature would have provided funding to MDH for tobacco cessation services. The proposal funded the tobacco cessation services by reallocating SHIP dollars, reducing the SHIP appropriation by $291,000 in FY19, $1,550,000 in FY20, and $2,955,000 in FY21.

**Wells and Borings.** This provision would have made the following alterations to current state law:

• Created a definition for temporary borings, with similar language to the definition for environmental well.
• Exempted temporary borings, of less than 25 feet, from paying the notification and fee requirements in Chapter 103i.
The items below were considered outside of the supplemental omnibus budget bill but may also be of interest to local public health departments. Unless otherwise noted, bills passed will go into effect on August 1, 2018.

**Birth Defect Information System.** Birth defects in stillborn babies will be included when tabulating birth defects in the state. *Outcome: Signed by the governor on May 19, 2018 (Chapter 152)*

**Bonding Bill.** An $1.459 Billion bonding bill was passed in the last minutes of session. This bill provides funds to build and repair public buildings, roads, bridges, and sewer and water systems. It also included $28.1 million behavioral health crisis stabilization centers. The projects would be funded through grants distributed by the Department of Human Services. Criteria for projects include a demonstrated need for the program in the region, a detailed service plan, estimated cost for operating the program and a plan for financial sustainability. An additional $1.9 million was designated for Scott County to construct an intensive residential treatment services facility and residential crisis stabilization center. Additionally, $30 million was appropriated for supportive housing for individuals with behavioral health needs, $25 million was for School Safety Grants and $1 million was included for Safe Routes to Schools infrastructure grants. *Outcome: Signed by the governor on May 30, 2018, Various Effective Dates (Chapter 214)*

**Hands-free Phone Usage While Driving.** Another issue that became a topic of interest during session was a proposal (HF1180) requiring hands-free phone usage while driving. This bill made it through the House committee process but it failed to come to the floor for a full vote. *Outcome: No bill was passed.*

**Isolation and Quarantine.** This bill changes the definition of “communicable diseases” to clarify that it covers diseases which isolation or quarantine is an effective strategy to control them. It adds examples of diseases that are included in this definition including: hemorrhagic fevers; severe acute respiratory syndromes; influenza; bioterrorism; a new, novel or previously controlled or eradicated infectious agent or biological toxin; or any communicable disease included in the list of quarantinable communicable diseases as set forth in the Public Health Service Act. This change also modifies the statute which protects the employment of people who have been put into quarantine. It will now protect the job of someone who provides care for a child/vulnerable adult under quarantine. *Outcome: Signed by the governor on May 19, 2019 (Chapter 167).*

**Opioids.** SF730 included multiple provisions on opioids, including:

- In addition to obtaining a license, a manufacturer or wholesale drug distributor of Schedule II through IV opiate controlled substances must pay a registration fee. The fees are used to create an opiate stewardship account for evaluation, grants, drug scientists and lab supplies, and remaining money will support county social service agencies providing child protection services to children and families who are affected by addiction and for additional grant making.

- An Opiate Stewardship Advisory Council was created with the purpose of implementing a comprehensive and effective statewide effort to address the opioid addiction and overdose
epidemic in Minnesota. The Senate’s initially introduced proposal did not include local health department representation on the council, the House companion bill did. In the final bill, of the 18 represented members, local health department representation was not included. 

**Outcome:** A provision in this bill stated it would not go into effect if the Supplemental Omnibus Budget Bill was vetoed. Because of the Governor’s veto, this bill will not go into effect.

**Sex Trafficking.** This bill will ensure owners, managers, and employees of hotels and motels in Minnesota are trained on recognizing suspected cases of sex trafficking. In addition to annual training, the operators must conduct an ongoing awareness campaign for employees that highlight the signs of trafficking and instructions on reporting suspected cases. The bill goes into effect 120 days after enactment of the law and requires training of new employees within 90 days of hiring them. **Outcome:** Signed by the governor on May 20, 2018 (Chapter 179).

**Foster Care Sibling Bill of Rights.** Requires the foster children be placed with their siblings if possible and allows them to visit their siblings if they are not placed together. Child welfare agency staff will be required to give a copy of the bill of rights to children upon entry into foster care. **Outcome:** Signed by the governor on May 20, 2018 (Chapter 188).

**Tobacco 21.** A bipartisan bill was introduced in the House that would increase the tobacco sale age from 18 to 21. **Outcome:** This bill failed to get a hearing during session.

**Tobacco Tax.** The omnibus tax bill created a new definition for “vapor products” and defined vapor products as tobacco products. **Outcome:** Omnibus tax bill was vetoed, see the veto letter here.

**Work Requirements for Medical Assistance.** (HF 3722 / SF 3611) This bill would have required employment or job training in order to be eligible for medical assistance. It was heard by committees in both the House and Senate. The legislation would have created an additional workload at the county level and additional responsibilities including processing and monitoring exemptions, updating benefits based on work requirements, monitoring compliance, and managing appeals. Late in the session, the state’s Management and Budget office released a local impact note, based on county input. The agency estimated the proposal would cost counties $121 million in calendar year 2020 and $163 million in calendar year 2021. **Outcome:** Did not pass.