

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 1826

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DATE	D-PG	OFFICIAL STATUS
02/24/2025	485	Introduction and first reading Referred to Human Services

1.1A bill for an act

1.2relating to human services; establishing payment rates for certain substance use

1.3disorder treatment services; recodifying vendor eligibility for payments from the

1.4behavioral health fund; amending Minnesota Statutes 2024, sections 254B.05,

1.5subdivision 5, by adding subdivisions; 256B.761.

1.6BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7ARTICLE 1

1.8SUBSTANCE USE DISORDER TREATMENT RATES

1.9Section 1. Minnesota Statutes 2024, section 254B.05, subdivision 5, is amended to read:

1.10Subd. 5. **Rate requirements.** (a) Subject to the requirements of subdivisions 6 and 7,

1.11the commissioner shall establish rates for the following substance use disorder treatment

1.12services ~~and service enhancements~~ funded under this chapter.:

1.13~~(b) Eligible substance use disorder treatment services include:~~

1.14(1) those licensed, as applicable, according to chapter 245G or applicable Tribal license

1.15and provided according to the following ASAM levels of care:

1.16(i) ASAM level 0.5 early intervention services provided according to section 254B.19,

1.17subdivision 1, clause (1);

1.18(ii) ASAM level 1.0 outpatient services provided according to section 254B.19,

1.19subdivision 1, clause (2);

1.20(iii) ASAM level 2.1 intensive outpatient services provided according to section 254B.19,

1.21subdivision 1, clause (3);

2.1 (iv) ASAM level 2.5 partial hospitalization services provided according to section
2.2 254B.19, subdivision 1, clause (4);

2.3 (v) ASAM level 3.1 clinically managed low-intensity residential services provided
2.4 according to section 254B.19, subdivision 1, clause (5). ~~The commissioner shall use the~~
2.5 ~~base payment rate of \$79.84 per day for services provided under this item;~~

2.6 (vi) ASAM level 3.1 clinically managed low-intensity residential services provided
2.7 according to section 254B.19, subdivision 1, clause (5), at 15 or more hours of skilled
2.8 treatment services each week. ~~The commissioner shall use the base payment rate of \$166.13~~
2.9 ~~per day for services provided under this item;~~

2.10 (vii) ASAM level 3.3 clinically managed population-specific high-intensity residential
2.11 services provided according to section 254B.19, subdivision 1, clause (6). ~~The commissioner~~
2.12 ~~shall use the specified base payment rate of \$224.06 per day for services provided under~~
2.13 ~~this item; and~~

2.14 (viii) ASAM level 3.5 clinically managed high-intensity residential services provided
2.15 according to section 254B.19, subdivision 1, clause (7). ~~The commissioner shall use the~~
2.16 ~~specified base payment rate of \$224.06 per day for services provided under this item;~~

2.17 (2) comprehensive assessments provided according to section 254A.19, subdivision 3;

2.18 (3) treatment coordination services provided according to section 245G.07, subdivision
2.19 1, paragraph (a), clause (5);

2.20 (4) peer recovery support services provided according to section 245G.07, subdivision
2.21 2, clause (8);

2.22 (5) withdrawal management services provided according to chapter 245F;

2.23 (6) hospital-based treatment services that are licensed according to sections 245G.01 to
2.24 245G.17 or applicable Tribal license and licensed as a hospital under sections 144.50 to
2.25 144.56;

2.26 (7) substance use disorder treatment services with medications for opioid use disorder
2.27 provided in an opioid treatment program licensed according to sections 245G.01 to 245G.17
2.28 and 245G.22, or under an applicable Tribal license;

2.29 (8) medium-intensity residential treatment services that provide 15 hours of skilled
2.30 treatment services each week and are licensed according to sections 245G.01 to 245G.17
2.31 and 245G.21 or applicable Tribal license;

(9) adolescent treatment programs that are licensed as outpatient treatment programs according to sections 245G.01 to 245G.18 or as residential treatment programs according to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or applicable Tribal license;

(10) ASAM 3.5 clinically managed high-intensity residential services that are licensed according to sections 245G.01 to 245G.17 and 245G.21 or applicable Tribal license, which provide ASAM level of care 3.5 according to section 254B.19, subdivision 1, clause (7), and are provided by a state-operated vendor or to clients who have been civilly committed to the commissioner, present the most complex and difficult care needs, and are a potential threat to the community; and

(11) room and board facilities that meet the requirements of subdivision 1a.

~~(e)~~ (b) The commissioner shall establish higher rates for programs that meet the requirements of paragraph ~~(b)~~ (a) and ~~one of the following additional requirements: the requirements of one clause in this paragraph.~~

(1) Programs that serve parents with their children are eligible for an enhanced payment rate if the program:

(i) provides on-site child care during the hours of treatment activity that:

(A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter 9503; or

(B) is licensed under chapter 245A and sections 245G.01 to 245G.19; or

(ii) arranges for off-site child care during hours of treatment activity at a facility that is licensed under chapter 245A as:

(A) a child care center under Minnesota Rules, chapter 9503; or

(B) a family child care home under Minnesota Rules, chapter 9502;

In order to be eligible for a higher rate under this clause, a program that provides arrangements for off-site child care must maintain current documentation at the substance use disorder facility of the child care provider's current licensure to provide child care services.

(2) Culturally specific or culturally responsive programs as defined in section 254B.01, subdivision 4a; are eligible for an enhanced payment rate.

(3) Disability responsive programs as defined in section 254B.01, subdivision 4b; are eligible for an enhanced payment rate.

(4) Programs that offer medical services delivered by appropriately credentialed health care staff in an amount equal to one hour per client per week are eligible for an enhanced payment rate if the medical needs of the client and the nature and provision of any medical services provided are documented in the client file; ~~or,~~

(5) Programs that offer services to individuals with co-occurring mental health and substance use disorder problems are eligible for an enhanced payment rate if:

(i) the program meets the co-occurring requirements in section 245G.20;

(ii) the program employs a mental health professional as defined in section 245I.04, subdivision 2;

(iii) clients scoring positive on a standardized mental health screen receive a mental health diagnostic assessment within ten days of admission;

(iv) the program has standards for multidisciplinary case review that include a monthly review for each client that, at a minimum, includes a licensed mental health professional and licensed alcohol and drug counselor, and their involvement in the review is documented;

(v) family education is offered that addresses mental health and substance use disorder and the interaction between the two; and

(vi) co-occurring counseling staff shall receive eight hours of co-occurring disorder training annually.

~~(d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program that provides arrangements for off-site child care must maintain current documentation at the substance use disorder facility of the child care provider's current licensure to provide child care services.~~

~~(e)~~ Adolescent residential programs that meet the requirements of Minnesota Rules, parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements in ~~paragraph (c), clause (5)~~; items (i) to (iv).

~~(f)~~ (c) Substance use disorder services that are otherwise covered as direct face-to-face services may be provided via telehealth as defined in section 256B.0625, subdivision 3b. The use of telehealth to deliver services must be medically appropriate to the condition and needs of the person being served. Reimbursement shall be at the same rates and under the same conditions that would otherwise apply to direct face-to-face services.

~~(g)~~ (d) For the purpose of reimbursement under this section, substance use disorder treatment services provided in a group setting without a group participant maximum or

maximum client to staff ratio under chapter 245G shall not exceed a client to staff ratio of 48 to one. At least one of the attending staff must meet the qualifications as established under this chapter for the type of treatment service provided. A recovery peer may not be included as part of the staff ratio.

~~(h)~~ (e) Payment for outpatient substance use disorder services that are licensed according to sections 245G.01 to 245G.17 is limited to six hours per day or 30 hours per week unless prior authorization of a greater number of hours is obtained from the commissioner.

~~(i)~~ (f) Payment for substance use disorder services under this section must start from the day of service initiation, when the comprehensive assessment is completed within the required timelines.

~~(j)~~ (g) A license holder that is unable to provide all residential treatment services because a client missed services remains eligible to bill for the client's intensity level of services under this paragraph if the license holder can document the reason the client missed services and the interventions done to address the client's absence.

~~(k)~~ (h) Hours in a treatment week may be reduced in observance of federally recognized holidays.

~~(l)~~ (i) Eligible vendors of peer recovery support services must:

(1) submit to a review by the commissioner of up to ten percent of all medical assistance and behavioral health fund claims to determine the medical necessity of peer recovery support services for entities billing for peer recovery support services individually and not receiving a daily rate; and

(2) limit an individual client to 14 hours per week for peer recovery support services from an individual provider of peer recovery support services.

~~(m)~~ (j) Peer recovery support services not provided in accordance with section 254B.052 are subject to monetary recovery under section 256B.064 as money improperly paid.

Sec. 2. Minnesota Statutes 2024, section 254B.05, is amended by adding a subdivision to read:

Subd. 6. **Base year payment rates.** (a) Notwithstanding subdivision 5, paragraph (a), effective January 1, 2026, the base payment rates in this section apply.

(b) The payment rate for individual counseling included in ASAM level 1.0 outpatient services provided according to section 254B.19, subdivision 1, clause (2), is \$140.27 per unit.

6.1 (c) The payment rate for group counseling included in ASAM level 1.0 outpatient services
6.2 provided according to section 254B.19, subdivision 1, clause (2), is \$42.97 per unit.

6.3 (d) The payment rate for individual counseling included in ASAM level 2.1 intensive
6.4 outpatient services provided according to section 254B.19, subdivision 1, clause (3), is
6.5 \$140.27 per unit.

6.6 (e) The payment rate for group counseling included in ASAM level 2.1 intensive
6.7 outpatient services provided according to section 254B.19, subdivision 1, clause (3), is
6.8 \$42.97 per unit.

6.9 (f) The payment rate for individual counseling included in ASAM level 2.5 partial
6.10 hospitalization services provided according to section 254B.19, subdivision 1, clause (4),
6.11 is \$140.27 per unit.

6.12 (g) The payment rate for group counseling included in ASAM level 2.5 partial
6.13 hospitalization services provided according to section 254B.19, subdivision 1, clause (4),
6.14 is \$42.97 per unit.

6.15 (h) The payment rate for ASAM level 3.1 clinically managed low-intensity residential
6.16 services provided according to section 254B.19, subdivision 1, clause (5), is \$166.13 per
6.17 day for services.

6.18 (i) The payment rate for ASAM level 3.1 clinically managed low-intensity residential
6.19 services provided according to section 254B.19, subdivision 1, clause (5), at 15 or more
6.20 hours of skilled treatment services each week, is \$216.90 per day for services.

6.21 (j) The payment rate for ASAM level 3.3 clinically managed population-specific
6.22 high-intensity residential services provided according to section 254B.19, subdivision 1,
6.23 clause (6), is \$355.02 per day for services.

6.24 (k) The payment rate for ASAM level 3.5 clinically managed high-intensity residential
6.25 services provided according to section 254B.19, subdivision 1, clause (7), is \$355.02 per
6.26 day for services.

6.27 (l) The payment rate for ASAM level 3.7 medically monitored withdrawal management
6.28 services provided according to section 254B.19, subdivision 1, clause (9), is \$576.18 per
6.29 day for services.

6.30 (m) The payment rate for comprehensive assessments provided according to section
6.31 254A.19, subdivision 3, is \$156.04.

(n) The payment rate for treatment coordination services provided according to section 245G.07, subdivision 1, paragraph (a), clause (5), is \$37.13 per unit.

(o) The payment rate for peer recovery support services provided according to section 245G.07, subdivision 2, clause (8), is \$28.43 per unit.

Sec. 3. Minnesota Statutes 2024, section 254B.05, is amended by adding a subdivision to read:

Subd. 7. **Annual payment rate adjustments.** Effective January 1, 2027, and annually thereafter, the commissioner of human services must adjust the payment rates under subdivision 6 according to the change from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined using the Centers for Medicare and Medicaid Services Medicare Economic Index as forecasted in the fourth quarter of the calendar year before the rate year.

Sec. 4. Minnesota Statutes 2024, section 256B.761, is amended to read:

256B.761 REIMBURSEMENT FOR MENTAL HEALTH SERVICES.

(a) Effective for services rendered on or after July 1, 2001, payment for medication management provided to psychiatric patients, outpatient mental health services, day treatment services, home-based mental health services, and family community support services shall be paid at the lower of (1) submitted charges, or (2) 75.6 percent of the 50th percentile of 1999 charges.

(b) Effective July 1, 2001, the medical assistance rates for outpatient mental health services provided by an entity that operates: (1) a Medicare-certified comprehensive outpatient rehabilitation facility; and (2) a facility that was certified prior to January 1, 1993, with at least 33 percent of the clients receiving rehabilitation services in the most recent calendar year who are medical assistance recipients, will be increased by 38 percent, when those services are provided within the comprehensive outpatient rehabilitation facility and provided to residents of nursing facilities owned by the entity.

(c) In addition to rate increases otherwise provided, the commissioner may restructure coverage policy and rates to improve access to adult rehabilitative mental health services under section 256B.0623 and related mental health support services under section 256B.021, subdivision 4, paragraph (f), clause (2). For state fiscal years 2015 and 2016, the projected state share of increased costs due to this paragraph is transferred from adult mental health grants under sections 245.4661 and 256K.10. The transfer for fiscal year 2016 is a permanent

base adjustment for subsequent fiscal years. Payments made to managed care plans and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect the rate changes described in this paragraph.

(d) Any ratables effective before July 1, 2015, do not apply to early intensive developmental and behavioral intervention (EIDBI) benefits described in section 256B.0949.

(e) Effective for services rendered on or after January 1, 2024, payment rates for behavioral health services included in the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18, except for adult day treatment services under section 256B.0671, subdivision 3; early intensive developmental and behavioral intervention services under section 256B.0949; and substance use disorder services under chapter 254B, must be increased by three percent from the rates in effect on December 31, 2023. Effective for services rendered on or after January 1, 2025, payment rates for behavioral health services included in the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18, and early intensive developmental behavioral intervention services under section 256B.0949; ~~and substance use disorder services under chapter 254B,~~ must be annually adjusted according to the change from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined using the Centers for Medicare and Medicaid Services Medicare Economic Index as forecasted in the fourth quarter of the calendar year before the rate year. For payments made in accordance with this paragraph, if and to the extent that the commissioner identifies that the state has received federal financial participation for behavioral health services in excess of the amount allowed under United States Code, title 42, section 447.321, the state shall repay the excess amount to the Centers for Medicare and Medicaid Services with state money and maintain the full payment rate under this paragraph. This paragraph does not apply to federally qualified health centers, rural health centers, Indian health services, certified community behavioral health clinics, cost-based rates, and rates that are negotiated with the county. This paragraph expires upon legislative implementation of the new rate methodology resulting from the rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18.

(f) Effective January 1, 2024, the commissioner shall increase capitation payments made to managed care plans and county-based purchasing plans to reflect the behavioral health service rate increase provided in paragraph (e). Managed care and county-based purchasing plans must use the capitation rate increase provided under this paragraph to increase payment rates to behavioral health services providers. The commissioner must monitor the effect of this rate increase on enrollee access to behavioral health services. If for any contract year federal approval is not received for this paragraph, the commissioner must adjust the

capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this provision. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this provision.

ARTICLE 2

RECODIFICATION OF SUBSTANCE USE DISORDER TREATMENT VENDOR ELIGIBILITY AND CONFORMING CHANGES

Section 1. REVISOR INSTRUCTION.

The revisor of statutes, in consultation with the House Research Department; the Office of Senate Counsel, Research and Fiscal Analysis; and the Department of Human Services shall make necessary cross-reference changes and remove statutory cross-references in Minnesota Statutes to conform with the renumbering in this act. The revisor may make technical and other necessary changes to sentence structure to preserve the meaning of the text. The revisor may alter the coding in this act to incorporate statutory changes made by other law in the 2025 regular legislative session or a special session. If a provision stricken in this act is also amended in the 2025 regular legislative session or a special session by other law, the revisor shall merge the amendment into the numbering, notwithstanding Minnesota Statutes, section 645.30.

Sec. 2. REVISOR INSTRUCTION.

The revisor of statutes shall renumber each provision of Minnesota Statutes listed in column A as amended in this act to the number listed in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

<u>Column A</u>	<u>Column B</u>
<u>254B.05, subdivision 1, paragraph (a)</u>	<u>254B.0501, subdivision 1</u>
<u>254B.05, subdivision 1, paragraph (i)</u>	<u>254B.0501, subdivision 2</u>
<u>254B.05, subdivision 4</u>	<u>254B.0501, subdivision 3</u>
<u>254B.05, subdivision 1, paragraph (b)</u>	<u>254B.0501, subdivision 4</u>
<u>254B.05, subdivision 1, paragraph (c)</u>	<u>254B.0501, subdivision 5</u>
<u>254B.05, subdivision 1, paragraph (d)</u>	<u>254B.0501, subdivision 6, paragraph (a)</u>
<u>254B.05, subdivision 1, paragraph (e)</u>	<u>254B.0501, subdivision 6, paragraph (b)</u>
<u>254B.05, subdivision 1, paragraph (f)</u>	<u>254B.0501, subdivision 6, paragraph (c)</u>
<u>254B.05, subdivision 1, paragraph (g)</u>	<u>254B.0501, subdivision 6, paragraph (d)</u>

10.1	<u>254B.05, subdivision 1, paragraph (h)</u>	<u>254B.0501, subdivision 7</u>
10.2	<u>254B.05, subdivision 1b</u>	<u>254B.0501, subdivision 8</u>
10.3	<u>254B.05, subdivision 2</u>	<u>254B.0501, subdivision 9</u>
10.4	<u>254B.05, subdivision 3</u>	<u>254B.0501, subdivision 10</u>
10.5	<u>254B.05, subdivision 1a, paragraph (a)</u>	<u>254B.0503, subdivision 1, paragraph (a)</u>
10.6	<u>254B.05, subdivision 1a, paragraph (c)</u>	<u>254B.0503, subdivision 1, paragraph (b)</u>
10.7	<u>254B.05, subdivision 1a, paragraph (d)</u>	<u>254B.0503, subdivision 1, paragraph (c)</u>
10.8	<u>254B.05, subdivision 1a, paragraph (e)</u>	<u>254B.0503, subdivision 1, paragraph (d)</u>
10.9	<u>254B.05, subdivision 1a, paragraph (b)</u>	<u>254B.0503, subdivision 2, paragraph (a)</u>
10.10	<u>254B.05, subdivision 1a, paragraph (e)</u>	<u>254B.0503, subdivision 2, paragraph (b)</u>
10.11	<u>254B.05, subdivision 5, paragraph (a)</u>	<u>254B.0505, subdivision 1</u>
10.12	<u>254B.05, subdivision 5, paragraph (c)</u>	<u>254B.0505, subdivision 2</u>
10.13	<u>254B.05, subdivision 5, paragraph (d)</u>	<u>254B.0505, subdivision 3</u>
10.14	<u>254B.05, subdivision 5, paragraph (e)</u>	<u>254B.0505, subdivision 4</u>
10.15	<u>254B.05, subdivision 5, paragraph (f)</u>	<u>254B.0505, subdivision 5</u>
10.16	<u>254B.05, subdivision 5, paragraph (g)</u>	<u>254B.0505, subdivision 6</u>
10.17	<u>254B.05, subdivision 5, paragraph (h)</u>	<u>254B.0505, subdivision 7</u>
10.18	<u>254B.05, subdivision 5, paragraph (i)</u>	<u>254B.0505, subdivision 8</u>
10.19	<u>254B.05, subdivision 5, paragraph (b), first</u>	<u>254B.0507, subdivision 1</u>
10.20	<u>sentence</u>	
10.21	<u>254B.05, subdivision 5, paragraph (b), clause</u>	<u>254B.0507, subdivision 2, paragraph (a)</u>
10.22	<u>(1), items (i) and (ii)</u>	
10.23	<u>254B.05, subdivision 5, paragraph (b), block</u>	<u>254B.0507, subdivision 2, paragraph (b)</u>
10.24	<u>left paragraph</u>	
10.25	<u>254B.05, subdivision 5, paragraph (b), clause</u>	<u>254B.0507, subdivision 3</u>
10.26	<u>(2)</u>	
10.27	<u>254B.05, subdivision 5, paragraph (b), clause</u>	<u>254B.0507, subdivision 4</u>
10.28	<u>(3)</u>	
10.29	<u>254B.05, subdivision 5, paragraph (b), clause</u>	<u>254B.0507, subdivision 5</u>
10.30	<u>(4)</u>	
10.31	<u>254B.05, subdivision 5, paragraph (b), clause</u>	<u>254B.0507, subdivision 6, paragraph (a)</u>
10.32	<u>(5)</u>	
10.33	<u>254B.05, subdivision 5, paragraph (b), clause</u>	<u>254B.0507, subdivision 6, paragraph (b)</u>
10.34	<u>(5), block left paragraph</u>	
10.35	<u>254B.05, subdivision 6</u>	<u>254B.0509, subdivision 1</u>
10.36	<u>254B.05, subdivision 7</u>	<u>254B.0509, subdivision 2</u>
10.37	<u>254B.05, subdivision 1, paragraph (j)</u>	<u>254B.052, subdivision 4</u>
10.38	<u>254B.05, subdivision 5, paragraph (j)</u>	<u>254B.052, subdivision 5</u>

APPENDIX
Article locations for 25-03136

ARTICLE 1	SUBSTANCE USE DISORDER TREATMENT RATES.....	Page.Ln 1.7
	RECODIFICATION OF SUBSTANCE USE DISORDER TREATMENT VENDOR ELIGIBILITY AND CONFORMING	
ARTICLE 2	CHANGES.....	Page.Ln 9.7