

1.1 moves to amend H.F. No. 4392, the first engrossment, as follows:

1.2 Page 9, delete section 9

1.3 Page 56, after line 2, insert:

1.4 "Sec. Minnesota Statutes 2022, section 254B.03, subdivision 4, is amended to read:

1.5 Subd. 4. **Division of costs.** (a) Except for services provided by a county under section
1.6 254B.09, subdivision 1, or services provided under section 256B.69, the county shall, out
1.7 of local money, pay the state for 22.95 percent of the cost of substance use disorder services,
1.8 except for those services provided to persons enrolled in medical assistance under chapter
1.9 256B and room and board services under section 254B.05, subdivision 5, paragraph (b);
1.10 ~~clause (12).~~ Counties may use the indigent hospitalization levy for treatment and hospital
1.11 payments made under this section.

1.12 (b) 22.95 percent of any state collections from private or third-party pay, less 15 percent
1.13 for the cost of payment and collections, must be distributed to the county that paid for a
1.14 portion of the treatment under this section.

1.15 Sec. Minnesota Statutes 2023 Supplement, section 254B.04, subdivision 1a, is amended
1.16 to read:

1.17 Subd. 1a. **Client eligibility.** (a) Persons eligible for benefits under Code of Federal
1.18 Regulations, title 25, part 20, who meet the income standards of section 256B.056,
1.19 subdivision 4, and are not enrolled in medical assistance, are entitled to behavioral health
1.20 fund services. State money appropriated for this paragraph must be placed in a separate
1.21 account established for this purpose.

1.22 (b) Persons with dependent children who are determined to be in need of substance use
1.23 disorder treatment pursuant to an assessment under section 260E.20, subdivision 1, or in

2.1 need of chemical dependency treatment pursuant to a case plan under section 260C.201,
2.2 subdivision 6, or 260C.212, shall be assisted by the local agency to access needed treatment
2.3 services. Treatment services must be appropriate for the individual or family, which may
2.4 include long-term care treatment or treatment in a facility that allows the dependent children
2.5 to stay in the treatment facility. The county shall pay for out-of-home placement costs, if
2.6 applicable.

2.7 (c) Notwithstanding paragraph (a), persons enrolled in medical assistance are eligible
2.8 for room and board services under section 254B.05, subdivision 5, paragraph (b), ~~clause~~
2.9 ~~(12)~~.

2.10 (d) A client is eligible to have substance use disorder treatment paid for with funds from
2.11 the behavioral health fund when the client:

2.12 (1) is eligible for MFIP as determined under chapter 256J;

2.13 (2) is eligible for medical assistance as determined under Minnesota Rules, parts
2.14 9505.0010 to 9505.0150;

2.15 (3) is eligible for general assistance, general assistance medical care, or work readiness
2.16 as determined under Minnesota Rules, parts 9500.1200 to 9500.1318; or

2.17 (4) has income that is within current household size and income guidelines for entitled
2.18 persons, as defined in this subdivision and subdivision 7.

2.19 (e) Clients who meet the financial eligibility requirement in paragraph (a) and who have
2.20 a third-party payment source are eligible for the behavioral health fund if the third-party
2.21 payment source pays less than 100 percent of the cost of treatment services for eligible
2.22 clients.

2.23 (f) A client is ineligible to have substance use disorder treatment services paid for with
2.24 behavioral health fund money if the client:

2.25 (1) has an income that exceeds current household size and income guidelines for entitled
2.26 persons as defined in this subdivision and subdivision 7; or

2.27 (2) has an available third-party payment source that will pay the total cost of the client's
2.28 treatment.

2.29 (g) A client who is disenrolled from a state prepaid health plan during a treatment episode
2.30 is eligible for continued treatment service that is paid for by the behavioral health fund until
2.31 the treatment episode is completed or the client is re-enrolled in a state prepaid health plan
2.32 if the client:

3.1 (1) continues to be enrolled in MinnesotaCare, medical assistance, or general assistance
3.2 medical care; or

3.3 (2) is eligible according to paragraphs (a) and (b) and is determined eligible by a local
3.4 agency under section 254B.04.

3.5 (h) When a county commits a client under chapter 253B to a regional treatment center
3.6 for substance use disorder services and the client is ineligible for the behavioral health fund,
3.7 the county is responsible for the payment to the regional treatment center according to
3.8 section 254B.05, subdivision 4.

3.9 Sec. Minnesota Statutes 2023 Supplement, section 254B.04, subdivision 2a, is amended
3.10 to read:

3.11 Subd. 2a. **Eligibility for room and board services for persons in outpatient substance**
3.12 **use disorder treatment.** A person eligible for room and board services under section
3.13 254B.05, subdivision 5, paragraph (b), ~~clause (12)~~, must score at level 4 on assessment
3.14 dimensions related to readiness to change, relapse, continued use, or recovery environment
3.15 in order to be assigned to services with a room and board component reimbursed under this
3.16 section. Whether a treatment facility has been designated an institution for mental diseases
3.17 under United States Code, title 42, section 1396d, shall not be a factor in making placements."

3.18 Page 60, delete section 17 and insert:

3.19 "Sec. Minnesota Statutes 2023 Supplement, section 254B.05, subdivision 5, is amended
3.20 to read:

3.21 Subd. 5. ~~Rate requirements~~ **Eligible services.** (a) The commissioner shall establish
3.22 rates for substance use disorder services and service enhancements funded under this chapter.

3.23 (b) Eligible substance use disorder treatment services include:

3.24 (1) those licensed, as applicable, according to chapter 245G or applicable Tribal license
3.25 ~~and provided according to the following ASAM levels of care:~~ This clause expires when
3.26 the services listed in subdivision 6 become eligible substance use disorder treatment services;

3.27 ~~(i) ASAM level 0.5 early intervention services provided according to section 254B.19,~~
3.28 ~~subdivision 1, clause (1);~~

3.29 ~~(ii) ASAM level 1.0 outpatient services provided according to section 254B.19,~~
3.30 ~~subdivision 1, clause (2);~~

4.1 ~~(iii) ASAM level 2.1 intensive outpatient services provided according to section 254B.19,~~
4.2 ~~subdivision 1, clause (3);~~

4.3 ~~(iv) ASAM level 2.5 partial hospitalization services provided according to section~~
4.4 ~~254B.19, subdivision 1, clause (4);~~

4.5 ~~(v) ASAM level 3.1 clinically managed low-intensity residential services provided~~
4.6 ~~according to section 254B.19, subdivision 1, clause (5);~~

4.7 ~~(vi) ASAM level 3.3 clinically managed population-specific high-intensity residential~~
4.8 ~~services provided according to section 254B.19, subdivision 1, clause (6); and~~

4.9 ~~(vii) ASAM level 3.5 clinically managed high-intensity residential services provided~~
4.10 ~~according to section 254B.19, subdivision 1, clause (7);~~

4.11 (2) comprehensive assessments provided according to ~~sections 245.4863, paragraph (a),~~
4.12 ~~and 245G.05~~ section 254A.19, subdivision 3;

4.13 (3) treatment coordination services provided according to section 245G.07, subdivision
4.14 1, paragraph (a), clause (5);

4.15 (4) peer recovery support services provided according to section 245G.07, subdivision
4.16 2, clause (8);

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

4.18 (6) hospital-based treatment services that are licensed according to sections 245G.01 to
4.19 245G.17 or applicable tribal license and licensed as a hospital under sections 144.50 to
4.20 144.56;

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

4.24 (8) high, medium, and low intensity residential treatment services that are licensed
4.25 according to sections 245G.01 to 245G.17 and 245G.21 or applicable Tribal license which
4.26 provide, respectively, 30, 15, and five hours of clinical services each week. This clause
4.27 expires when the services listed in subdivision 7 become eligible substance use disorder
4.28 treatment services;

4.29 ~~(7)~~ (9) adolescent treatment programs that are licensed as outpatient treatment programs
4.30 according to sections 245G.01 to 245G.18 or as residential treatment programs according
4.31 to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or
4.32 applicable tribal license;

5.1 ~~(8)~~ (10) ASAM 3.5 clinically managed high-intensity residential services that are licensed
 5.2 according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license, which
 5.3 provide ASAM level of care 3.5 according to section 254B.19, subdivision 1, clause (7),
 5.4 and are provided by a state-operated vendor or to clients who have been civilly committed
 5.5 to the commissioner, present the most complex and difficult care needs, and are a potential
 5.6 threat to the community; and

5.7 ~~(9)~~ (11) room and board facilities that meet the requirements of subdivision 1a.

5.8 (c) Beginning January 1, 2025, or upon federal approval, whichever is later, in addition
 5.9 to the services listed in paragraph (b), clauses (2) to (11), services licensed, as applicable,
 5.10 according to chapter 245G or applicable Tribal license and provided according to the
 5.11 following ASAM levels of care are eligible substance use disorder services:

5.12 (1) ASAM level 0.5 early intervention services provided according to section 254B.19,
 5.13 subdivision 1, clause (1);

5.14 (2) ASAM level 1.0 outpatient services provided according to section 254B.19,
 5.15 subdivision 1, clause (2);

5.16 (3) ASAM level 2.1 intensive outpatient services provided according to section 254B.19,
 5.17 subdivision 1, clause (3); and

5.18 (4) ASAM level 2.5 partial hospitalization services provided according to section
 5.19 254B.19, subdivision 1, clause (4).

5.20 (d) Beginning January 1, 2026, or upon federal approval, whichever is later, in addition
 5.21 to the services listed in paragraph (b), clauses (2) to (11), and paragraph (c), services licensed,
 5.22 as applicable, according to chapter 245G or applicable Tribal license and provided according
 5.23 to the following ASAM levels of care are eligible substance use disorder services:

5.24 (1) ASAM level 3.1 clinically managed low-intensity residential services provided
 5.25 according to section 254B.19, subdivision 1, clause (5);

5.26 (2) ASAM level 3.3 clinically managed population-specific high-intensity residential
 5.27 services provided according to section 254B.19, subdivision 1, clause (6); and

5.28 (3) ASAM level 3.5 clinically managed high-intensity residential services provided
 5.29 according to section 254B.19, subdivision 1, clause (7).

5.30 ~~(e) The commissioner shall establish higher rates for programs that meet the requirements~~
 5.31 ~~of paragraph (b) and one of the following additional requirements:~~

5.32 ~~(1) programs that serve parents with their children if the program:~~

- 6.1 ~~(i) provides on-site child care during the hours of treatment activity that:~~
- 6.2 ~~(A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter~~
- 6.3 ~~9503; or~~
- 6.4 ~~(B) is licensed under chapter 245A and sections 245G.01 to 245G.19; or~~
- 6.5 ~~(ii) arranges for off-site child care during hours of treatment activity at a facility that is~~
- 6.6 ~~licensed under chapter 245A as:~~
- 6.7 ~~(A) a child care center under Minnesota Rules, chapter 9503; or~~
- 6.8 ~~(B) a family child care home under Minnesota Rules, chapter 9502;~~
- 6.9 ~~(2) culturally specific or culturally responsive programs as defined in section 254B.01,~~
- 6.10 ~~subdivision 4a;~~
- 6.11 ~~(3) disability responsive programs as defined in section 254B.01, subdivision 4b;~~
- 6.12 ~~(4) programs that offer medical services delivered by appropriately credentialed health~~
- 6.13 ~~care staff in an amount equal to two hours per client per week if the medical needs of the~~
- 6.14 ~~client and the nature and provision of any medical services provided are documented in the~~
- 6.15 ~~client file; or~~
- 6.16 ~~(5) programs that offer services to individuals with co-occurring mental health and~~
- 6.17 ~~substance use disorder problems if:~~
- 6.18 ~~(i) the program meets the co-occurring requirements in section 245G.20;~~
- 6.19 ~~(ii) 25 percent of the counseling staff are licensed mental health professionals under~~
- 6.20 ~~section 245I.04, subdivision 2, or are students or licensing candidates under the supervision~~
- 6.21 ~~of a licensed alcohol and drug counselor supervisor and mental health professional under~~
- 6.22 ~~section 245I.04, subdivision 2, except that no more than 50 percent of the mental health~~
- 6.23 ~~staff may be students or licensing candidates with time documented to be directly related~~
- 6.24 ~~to provisions of co-occurring services;~~
- 6.25 ~~(iii) clients scoring positive on a standardized mental health screen receive a mental~~
- 6.26 ~~health diagnostic assessment within ten days of admission;~~
- 6.27 ~~(iv) the program has standards for multidisciplinary case review that include a monthly~~
- 6.28 ~~review for each client that, at a minimum, includes a licensed mental health professional~~
- 6.29 ~~and licensed alcohol and drug counselor, and their involvement in the review is documented;~~
- 6.30 ~~(v) family education is offered that addresses mental health and substance use disorder~~
- 6.31 ~~and the interaction between the two; and~~

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

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

7.7 ~~(e) Adolescent residential programs that meet the requirements of Minnesota Rules,~~
7.8 ~~parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements~~
7.9 ~~in paragraph (c), clause (4), items (i) to (iv).~~

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

7.15 ~~(g) For the purpose of reimbursement under this section, substance use disorder treatment~~
7.16 ~~services provided in a group setting without a group participant maximum or maximum~~
7.17 ~~client to staff ratio under chapter 245G shall not exceed a client to staff ratio of 48 to one.~~
7.18 ~~At least one of the attending staff must meet the qualifications as established under this~~
7.19 ~~chapter for the type of treatment service provided. A recovery peer may not be included as~~
7.20 ~~part of the staff ratio.~~

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

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

7.27 **EFFECTIVE DATE.** This section is effective August 1, 2024, except the amendments
7.28 to paragraph (b), clause (1), and the amendment adding paragraphs (c) and (d) are effective
7.29 the day following final enactment and the amendment adding paragraph (b), clause (8), is
7.30 effective retroactively from January 1, 2024, with federal approval. The commissioner of
7.31 human services shall notify the revisor of statutes when federal approval is obtained.

8.1 Sec. Minnesota Statutes 2022, section 254B.05, is amended by adding a subdivision
8.2 to read:

8.3 Subd. 6. **Enhanced rate requirements.** The commissioner shall establish higher rates
8.4 for programs that meet the requirements of subdivision 5, paragraphs (b) to (d), and one of
8.5 the following additional requirements:

8.6 (1) programs that serve parents with their children if the program:

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

8.8 (A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter
8.9 9503; or

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

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

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

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

8.15 (2) culturally specific or culturally responsive programs as defined in section 254B.01,
8.16 subdivision 4a;

8.17 (3) disability responsive programs as defined in section 254B.01, subdivision 4b;

8.18 (4) programs that offer medical services delivered by appropriately credentialed health
8.19 care staff in an amount equal to two hours per client per week if the medical needs of the
8.20 client and the nature and provision of any medical services provided are documented in the
8.21 client file; or

8.22 (5) programs that offer services to individuals with co-occurring mental health and
8.23 substance use disorder problems if:

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

8.25 (ii) 25 percent of the counseling staff are licensed mental health professionals under
8.26 section 245I.04, subdivision 2, or are students or licensing candidates under the supervision
8.27 of a licensed alcohol and drug counselor supervisor and mental health professional under
8.28 section 245I.04, subdivision 2, except that no more than 50 percent of the mental health
8.29 staff may be students or licensing candidates with time documented to be directly related
8.30 to provisions of co-occurring services;

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

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

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

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

9.10 **EFFECTIVE DATE.** This section is effective August 1, 2024.

9.11 Sec. Minnesota Statutes 2022, section 254B.05, is amended by adding a subdivision
9.12 to read:

9.13 Subd. 7. **Other rate requirements.** (a) In order to be eligible for a higher rate under
9.14 subdivision 6, clause (1), a program that provides arrangements for off-site child care must
9.15 maintain current documentation at the substance use disorder facility of the child care
9.16 provider's current licensure to provide child care services.

9.17 (b) Adolescent residential programs that meet the requirements of Minnesota Rules,
9.18 parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements
9.19 in subdivision 6, clause (5), items (i) to (iv).

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

9.25 (d) For the purpose of reimbursement under this section, substance use disorder treatment
9.26 services provided in a group setting without a group participant maximum or maximum
9.27 client to staff ratio under chapter 245G shall not exceed a client to staff ratio of 48 to one.
9.28 At least one of the attending staff must meet the qualifications as established under this
9.29 chapter for the type of treatment service provided. A recovery peer may not be included as
9.30 part of the staff ratio.

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

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

10.7 **EFFECTIVE DATE.** This section is effective August 1, 2024.

10.8 Sec. Minnesota Statutes 2022, section 254B.12, subdivision 3, is amended to read:

10.9 Subd. 3. **Substance use disorder provider rate increase.** For the eligible substance
 10.10 use disorder services listed in section 254B.05, subdivision 5, and provided on or after July
 10.11 1, 2017, payment rates shall be increased by one percent over the rates in effect on January
 10.12 1, 2017, for vendors who meet the requirements of section 254B.05.

10.13 Sec. Minnesota Statutes 2022, section 254B.12, subdivision 4, is amended to read:

10.14 Subd. 4. **Culturally specific or culturally responsive program and disability**
 10.15 **responsive program provider rate increase.** For the eligible substance use disorder services
 10.16 listed in section 254B.05, subdivision 5, provided by programs that meet the requirements
 10.17 of section 254B.05, subdivision 5, ~~paragraph (e)~~ 6, clauses (1), (2), and (3), on or after
 10.18 January 1, 2022, payment rates shall increase by five percent over the rates in effect on
 10.19 January 1, 2021. The commissioner shall increase prepaid medical assistance capitation
 10.20 rates as appropriate to reflect this increase."

10.21 Page 68, delete section 21 and insert:

10.22 "Sec. Minnesota Statutes 2022, section 256B.0759, subdivision 4, is amended to read:

10.23 Subd. 4. **Provider payment rates.** (a) Payment rates for participating providers must
 10.24 be increased for services provided to medical assistance enrollees. To receive a rate increase,
 10.25 participating providers must meet demonstration project requirements and provide evidence
 10.26 of formal referral arrangements with providers delivering step-up or step-down levels of
 10.27 care. Providers that have enrolled in the demonstration project but have not met the provider
 10.28 standards under subdivision 3 as of July 1, 2022, are not eligible for a rate increase under
 10.29 this subdivision until the date that the provider meets the provider standards in subdivision
 10.30 3. Services provided from July 1, 2022, to the date that the provider meets the provider
 10.31 standards under subdivision 3 shall be reimbursed at rates according to section 254B.05,
 10.32 subdivision 5, ~~paragraph~~ paragraphs (b) to (d). Rate increases paid under this subdivision

11.1 to a provider for services provided between July 1, 2021, and July 1, 2022, are not subject
11.2 to recoupment when the provider is taking meaningful steps to meet demonstration project
11.3 requirements that are not otherwise required by law, and the provider provides documentation
11.4 to the commissioner, upon request, of the steps being taken.

11.5 (b) The commissioner may temporarily suspend payments to the provider according to
11.6 section 256B.04, subdivision 21, paragraph (d), if the provider does not meet the requirements
11.7 in paragraph (a). Payments withheld from the provider must be made once the commissioner
11.8 determines that the requirements in paragraph (a) are met.

11.9 (c) For substance use disorder services under section 254B.05, subdivision 5, paragraph
11.10 (b), clause ~~(8)~~ (10), provided on or after July 1, 2020, payment rates must be increased by
11.11 25 percent over the rates in effect on December 31, 2019.

11.12 (d) For substance use disorder services under section 254B.05, subdivision 5, paragraph
11.13 (b), clauses (1), (6), and (7), and paragraphs (c) and (d), and adolescent treatment programs
11.14 that are licensed as outpatient treatment programs according to sections 245G.01 to 245G.18,
11.15 provided on or after January 1, 2021, payment rates must be increased by 20 percent over
11.16 the rates in effect on December 31, 2020.

11.17 (e) Effective January 1, 2021, and contingent on annual federal approval, managed care
11.18 plans and county-based purchasing plans must reimburse providers of the substance use
11.19 disorder services meeting the criteria described in paragraph (a) who are employed by or
11.20 under contract with the plan an amount that is at least equal to the fee-for-service base rate
11.21 payment for the substance use disorder services described in paragraphs (c) and (d). The
11.22 commissioner must monitor the effect of this requirement on the rate of access to substance
11.23 use disorder services and residential substance use disorder rates. Capitation rates paid to
11.24 managed care organizations and county-based purchasing plans must reflect the impact of
11.25 this requirement. This paragraph expires if federal approval is not received at any time as
11.26 required under this paragraph.

11.27 (f) Effective July 1, 2021, contracts between managed care plans and county-based
11.28 purchasing plans and providers to whom paragraph (e) applies must allow recovery of
11.29 payments from those providers if, for any contract year, federal approval for the provisions
11.30 of paragraph (e) is not received, and capitation rates are adjusted as a result. Payment
11.31 recoveries must not exceed the amount equal to any decrease in rates that results from this
11.32 provision."

11.33 Renumber the sections in sequence and correct the internal references

11.34 Amend the title accordingly