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State of Minnesota
HOUSE OF REPRESENTATIVES
NINETIETH SESSION

H. F. No. 1734

02/27/2017 Authored by Zerwas
The bill was read for the first time and referred to the Committee on Health and Human Services Reform

1.1 A bill for an act
1.2 relating to human services; establishing county community-based mental health
1.3 grants; establishing the community-based mental health account in the special
1.4 revenue fund; providing a sunset date for county payments for state-operated
1.5 facilities; amending Minnesota Statutes 2016, sections 245.4661, subdivisions 2,
1.6 9, by adding a subdivision; 246.18, subdivision 4, by adding a subdivision; 246.54,
1.7 by adding a subdivision; 253B.045, subdivision 3.

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

1.9 Section 1. Minnesota Statutes 2016, section 245.4661, is amended by adding a subdivision
1.10 to read:

1.11 Subd. 1a. **County community-based mental health grants.** Beginning January 1, 2018,
1.12 and each year thereafter as funds are available, the commissioner of human services shall
1.13 establish grant funding criteria and award onetime grants to county boards or multiple county
1.14 boards acting jointly as regional partnerships for pilot projects to expand community-based
1.15 mental health infrastructure, provide support to people with serious and persistent mental
1.16 illnesses to live in the community, and avoid unnecessary placement in state-operated
1.17 facilities. Funds shall be awarded based on proposals and needs.

1.18 Sec. 2. Minnesota Statutes 2016, section 245.4661, subdivision 2, is amended to read:

1.19 Subd. 2. **Program design and implementation.** (a) The pilot projects shall be
1.20 established to design, plan, and improve the mental health service delivery system for adults
1.21 with serious and persistent mental illness that would:

1.22 (1) provide an expanded array of services from which clients can choose services
1.23 appropriate to their needs;

2.1 (2) be based on purchasing strategies that improve access and coordinate services without
2.2 cost shifting;

2.3 (3) incorporate existing state facilities and resources into the community mental health
2.4 infrastructure through creative partnerships with local vendors; and

2.5 (4) utilize existing categorical funding streams and reimbursement sources in combined
2.6 and creative ways, except appropriations to regional treatment centers and all funds that are
2.7 attributable to the operation of state-operated services are excluded unless appropriated
2.8 specifically by the legislature for a purpose consistent with this section or section 246.0136,
2.9 subdivision 1.

2.10 (b) Grants shall be awarded to county boards or multiple county boards acting jointly
2.11 as regional partnerships under subdivision 1a for innovative projects that improve options
2.12 for mental health services in community settings and reduce the need for unnecessary
2.13 placement in state-operated facilities including but not limited to projects that:

2.14 (1) build local discharge planning capacity by hiring staff, contracting with local
2.15 community mental health agencies, and other means; and

2.16 (2) develop supportive housing options for adults with serious and persistent mental
2.17 illness.

2.18 Sec. 3. Minnesota Statutes 2016, section 245.4661, subdivision 9, is amended to read:

2.19 Subd. 9. **Services and programs.** (a) The following three distinct grant programs are
2.20 funded under this section:

2.21 (1) mental health crisis services;

2.22 (2) housing with supports for adults with serious mental illness; and

2.23 (3) projects for assistance in transitioning from homelessness (PATH program).

2.24 (b) In addition, the following are eligible for grant funds:

2.25 (1) community education and prevention;

2.26 (2) client outreach;

2.27 (3) early identification and intervention;

2.28 (4) adult outpatient diagnostic assessment and psychological testing;

2.29 (5) peer support services;

2.30 (6) community support program services (CSP);

- 3.1 (7) adult residential crisis stabilization;
- 3.2 (8) supported employment;
- 3.3 (9) assertive community treatment (ACT);
- 3.4 (10) housing subsidies;
- 3.5 (11) basic living, social skills, and community intervention;
- 3.6 (12) emergency response services;
- 3.7 (13) adult outpatient psychotherapy;
- 3.8 (14) adult outpatient medication management;
- 3.9 (15) adult mobile crisis services;
- 3.10 (16) adult day treatment;
- 3.11 (17) partial hospitalization;
- 3.12 (18) adult intensive residential treatment services;
- 3.13 (19) adult mental health targeted case management;
- 3.14 (20) intensive community rehabilitative services (ICRS); and
- 3.15 (21) transportation.

3.16 Sec. 4. Minnesota Statutes 2016, section 246.18, subdivision 4, is amended to read:

3.17 Subd. 4. **Collections deposited in the general fund.** Except as provided in subdivisions
 3.18 5, 6, and 7, all receipts from collection efforts for ~~the regional treatment centers~~, state nursing
 3.19 homes; and other state facilities as defined in section 246.50, subdivision 3, except regional
 3.20 treatment centers and community behavioral health hospitals, must be deposited in the
 3.21 general fund. The commissioner shall ensure that the departmental financial reporting
 3.22 systems and internal accounting procedures comply with federal standards for reimbursement
 3.23 for program and administrative expenditures and fulfill the purpose of this paragraph.

3.24 Sec. 5. Minnesota Statutes 2016, section 246.18, is amended by adding a subdivision to
 3.25 read:

3.26 Subd. 8a. **Community-based mental health account.** The community-based mental
 3.27 health account is established in the special revenue fund. Revenue generated by collection
 3.28 efforts for regional treatment centers and community behavioral health hospitals under
 3.29 section 246.54 on or after July 1, 2017, must be deposited in the community-based mental

4.1 health account, unless otherwise specified in law. Money deposited in the community-based
4.2 mental health account shall be disbursed for the purposes of awarding community-based
4.3 mental health grants to county boards or multiple county boards acting jointly as regional
4.4 partnerships under section 245.4661, subdivision 1a.

4.5 Sec. 6. Minnesota Statutes 2016, section 246.54, is amended by adding a subdivision to
4.6 read:

4.7 Subd. 3. **Sunset.** This section expires on June 30, 2020.

4.8 Sec. 7. Minnesota Statutes 2016, section 253B.045, subdivision 3, is amended to read:

4.9 Subd. 3. **Cost of care.** (a) Notwithstanding subdivision 2, a county shall be responsible
4.10 for the cost of care as specified under section 246.54 for persons hospitalized at a regional
4.11 treatment center in accordance with section 253B.09 and the person's legal status has been
4.12 changed to a court hold under section 253B.07, subdivision 2b, pending a judicial
4.13 determination regarding continued commitment pursuant to sections 253B.12 and 253B.13.

4.14 (b) This subdivision expires June 30, 2020.