

**SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION**

S.F. No. 2205

(SENATE AUTHORS: JENSEN, Klein, Nelson, Abeler and Bigham)

DATE	D-PG	OFFICIAL STATUS
03/07/2019	711	Introduction and first reading Referred to Health and Human Services Finance and Policy

1.1 A bill for an act

1.2 relating to human services; modifying rates for substance use treatment; directing

1.3 commissioner of human services to establish continuum of care-based rate

1.4 methodology; requiring a report; amending Minnesota Statutes 2018, section

1.5 254B.12, subdivisions 2, 3.

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

1.7 Section 1. Minnesota Statutes 2018, section 254B.12, subdivision 2, is amended to read:

1.8 Subd. 2. **Payment methodology for highly specialized vendors.** Notwithstanding

1.9 subdivision 1, the commissioner shall seek federal authority to develop separate payment

1.10 methodologies for substance use disorder treatment services provided under the consolidated

1.11 chemical dependency treatment fund: (1) by a state-operated vendor and, if the criteria for

1.12 patient placement is equivalent, by private vendors; or (2) for persons who have been civilly

1.13 committed to the commissioner, present the most complex and difficult care needs, and are

1.14 a potential threat to the community. A payment methodology under this subdivision is

1.15 effective for services provided on or after October 1, 2015, or on or after the receipt of

1.16 federal approval, whichever is later.

1.17 **EFFECTIVE DATE.** This section is effective July 1, 2019, or upon federal approval,

1.18 whichever is later. The commissioner of human services shall notify the revisor of statutes

1.19 when federal approval is obtained.

1.20 Sec. 2. Minnesota Statutes 2018, section 254B.12, subdivision 3, is amended to read:

1.21 Subd. 3. **Chemical dependency provider rate increase.** For the chemical dependency

1.22 services listed in section 254B.05, subdivision 5, and provided on or after July 1, ~~2017~~ 2019,

2.1 payment rates shall be increased by ~~one~~ percent over the rates in effect on January 1,
2.2 ~~2017~~ 2019, for vendors who meet the requirements of section 254B.05.

2.3 **Sec. 3. DIRECTION TO COMMISSIONER; CONTINUUM OF CARE-BASED**
2.4 **RATE METHODOLOGY.**

2.5 Subdivision 1. Rate methodology. (a) The commissioner of human services shall develop
2.6 a comprehensive rate methodology for the consolidated chemical dependency treatment
2.7 fund that reimburses substance use disorder treatment providers for the full continuum of
2.8 care. The continuum of care-based rate methodology must replace the current rates with a
2.9 uniform statewide methodology that accurately reflects provider expenses for providing
2.10 required elements of substance use disorder outpatient and residential services.

2.11 (b) The continuum of care-based rate methodology must include:

2.12 (1) payment methodologies for substance use disorder treatment services provided under
2.13 the consolidated chemical dependency treatment fund: (i) by a state-operated vendor and,
2.14 if the criteria for patient placement is equivalent, by private vendors; or (ii) for persons who
2.15 have been civilly committed to the commissioner, present the most complex and difficult
2.16 care needs, and are a potential threat to the community;

2.17 (2) compensation to providers who provide culturally competent consultation resources;
2.18 and

2.19 (3) cost-based reimbursement for substance use disorder providers that use sustainable
2.20 business models that individualize care and retain individuals in ongoing care at the lowest
2.21 medically appropriate level.

2.22 (c) The commissioner of human services may contract with a health care policy consultant
2.23 or other entity to:

2.24 (1) provide stakeholder facilitation and provider outreach services to develop the
2.25 continuum of care-based rate methodology; and

2.26 (2) provide technical services to develop the continuum of care-based rate methodology.

2.27 (d) The commissioner of human services must develop comprehensive substance use
2.28 disorder billing guidance for the continuum of care-based rate methodology.

2.29 (e) In developing the continuum of care-based rate methodology, the commissioner of
2.30 human services must consult with the following stakeholders:

3.1 (1) representatives of at least one provider operating residential treatment services, one
3.2 provider operating out-patient treatment services, and one provider operating both residential
3.3 and out-patient treatment services;

3.4 (2) representatives of providers who operate in the seven-county metropolitan area and
3.5 providers who operate in greater Minnesota; and

3.6 (3) representatives of both for-profit and nonprofit providers.

3.7 Subd. 2. **Reports.** (a) By November 1, 2020, the commissioner of human services shall
3.8 report to the legislature on any modifications to the licensure standards necessary to align
3.9 provider qualifications with the continuum of care-based rate methodology.

3.10 (b) The commissioner of human services shall propose legislation for the 2021 legislative
3.11 session necessary to fully implement the continuum of care-based rate methodology.