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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 737

02/01/2017 Authored by Peterson; Schomacker; Dean, M.; Johnson, C.; Liebling and others
The bill was read for the first time and referred to the Committee on Health and Human Services Reform
02/13/2017 Adoption of Report: Re-referred to the Committee on Health and Human Services Finance

A bill for an act

1.1 relating to human services; establishing a grant program for mental health
1.2 innovation; establishing the mental health innovation account in the special revenue
1.3 fund; appropriating money; amending Minnesota Statutes 2016, section 246.18,
1.4 subdivision 4, by adding a subdivision; proposing coding for new law in Minnesota
1.5 Statutes, chapter 245.

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

Section 1. [245.4662] GRANT PROGRAM; MENTAL HEALTH INNOVATION.

Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have the meaning given them:

(b) "Community mental health center" means an agency that:

(1) is established under sections 245.61 to 245.69 and employs a competent multidisciplinary mental health, developmental disability, and chemical dependency professional team whose members meet the professional standards in the members' respective fields and are qualified by specific mental health training and experience; and

(2) provides or contracts for at a minimum the following services for individuals with mental or emotional disorders, developmental disabilities, alcoholism, drug abuse, and other psychiatric conditions:

(i) collaborative and cooperative services with public health and other groups for programs of prevention of mental illness, alcoholism and drug abuse, and other psychiatric disorders;

(ii) informational and educational services to schools, courts, and health and welfare agencies, both public and private;

2.1 (iii) informational and educational services to the general public, lay, and professional
2.2 groups;

2.3 (iv) consulting services to schools, courts, and health and welfare agencies, both public
2.4 and private;

2.5 (v) outpatient diagnostic and treatment services;

2.6 (vi) rehabilitative services, particularly for individuals who previously received treatment
2.7 in an inpatient facility;

2.8 (vii) detoxification, evaluation, and referral for chemical dependency services under
2.9 section 254A.08; and

2.10 (viii) specific coordination for mentally ill or behaviorally disabled, developmental
2.11 disability, and chemical dependency programs under sections 254A.07 and 245.61.

2.12 (c) "Community partnership" means a project involving the collaboration of two or more
2.13 eligible applicants.

2.14 (d) "Eligible applicant" means an eligible county, facility or organization providing
2.15 community support and day treatment services under section 245.4712, community mental
2.16 health center, hospital, and community partnership. Eligible applicant does not include a
2.17 state-operated direct care and treatment facility or program under chapter 246.

2.18 (e) "Intensive residential treatment services" has the meaning given in section 256B.0622,
2.19 subdivision 2.

2.20 (f) "Metropolitan area" means the seven-county metropolitan area, as defined in section
2.21 473.121, subdivision 2.

2.22 Subd. 2. **Grants authorized.** The commissioner of human services shall award grants
2.23 to eligible applicants to plan, establish, or operate programs to improve accessibility and
2.24 quality of community-based, outpatient mental health services and reduce the number of
2.25 clients admitted to regional treatment centers and community behavioral health hospitals.
2.26 The commissioner shall award half of all grant funds to eligible applicants in the metropolitan
2.27 area and half of all grant funds to eligible applicants outside the metropolitan area. The
2.28 commissioner shall publish criteria for grant awards no later than September 1, 2017.

2.29 Subd. 3. **Allocation of grants.** (a) To receive a grant under this section, an applicant
2.30 must submit an application to the commissioner of human services by October 31, 2017,
2.31 and each year thereafter. A grant may be awarded upon the signing of a grant contract. An

3.1 applicant may apply for and the commissioner may award grants for one-year or two-year
3.2 periods.

3.3 (b) An application must be on a form and contain information as specified by the
3.4 commissioner but at a minimum must contain:

3.5 (1) a description of the purpose or project for which grant funds will be used;

3.6 (2) a description of the specific problem the grant funds will address;

3.7 (3) a description of achievable objectives, a work plan, and a timeline for implementation
3.8 and completion of processes or projects enabled by the grant; and

3.9 (4) a process for documenting and evaluating results of the grant.

3.10 (c) The commissioner shall review each application to determine whether the application
3.11 is complete and whether the applicant and the project are eligible for a grant. In evaluating
3.12 applications according to paragraph (d), the commissioner shall establish criteria including,
3.13 but not limited to: the eligibility of the project; the applicant's thoroughness and clarity in
3.14 describing the problem grant funds are intended to address; a description of the applicant's
3.15 proposed project; a description of the population demographics and service area of the
3.16 proposed project; the manner in which the applicant will demonstrate the effectiveness of
3.17 any projects undertaken; and evidence of efficiencies and effectiveness gained through
3.18 collaborative efforts. The commissioner may also consider other relevant factors, including,
3.19 but not limited to, the proposed project's longevity and financial sustainability. In evaluating
3.20 applications, the commissioner may request additional information regarding a proposed
3.21 project, including information on project cost. An applicant's failure to provide the
3.22 information requested disqualifies an applicant. The commissioner shall determine the
3.23 number of grants awarded.

3.24 (d) In determining whether eligible applicants receive grants under this section, the
3.25 commissioner shall give preference to grant applications as follows, from highest preference
3.26 to lowest preference:

3.27 (1) intensive residential treatment services, providing time-limited mental health services
3.28 in a residential setting;

3.29 (2) the creation of stand-alone urgent care centers for mental health and psychiatric
3.30 consultation services;

3.31 (3) community mental health centers; and

4.1 (4) other innovative projects that improve options for mental health services in community
4.2 settings and reduce the number of clients who remain in regional treatment centers and
4.3 community behavioral health hospitals beyond when discharge is determined to be clinically
4.4 appropriate.

4.5 Subd. 4. **Awarding of grants.** The commissioner must notify grantees of awards by
4.6 December 15, 2017, and grant funds must be disbursed by January 1, 2018, and each year
4.7 thereafter.

4.8 Sec. 2. Minnesota Statutes 2016, section 246.18, subdivision 4, is amended to read:

4.9 Subd. 4. **Collections deposited in the general fund.** Except as provided in subdivisions
4.10 5, 6, and 7, all receipts from collection efforts for the ~~regional treatment centers~~, state nursing
4.11 homes, and other state facilities as defined in section 246.50, subdivision 3, except regional
4.12 treatment centers and community behavioral health hospitals, must be deposited in the
4.13 general fund. The commissioner shall ensure that the departmental financial reporting
4.14 systems and internal accounting procedures comply with federal standards for reimbursement
4.15 for program and administrative expenditures and fulfill the purpose of this ~~paragraph~~
4.16 subdivision.

4.17 Sec. 3. Minnesota Statutes 2016, section 246.18, is amended by adding a subdivision to
4.18 read:

4.19 Subd. 4a. **Mental health innovation account.** The mental health innovation account is
4.20 established in the special revenue fund. Revenue generated by collection efforts from the
4.21 regional treatment centers and community behavioral health hospitals under section 246.54
4.22 after July 1, 2017, must be deposited into the mental health innovation account, unless
4.23 otherwise specified in law. Money deposited in the mental health innovation account shall
4.24 be disbursed for the purposes of administering the mental health innovation grant program
4.25 under section 245.4662.

4.26 Sec. 4. **APPROPRIATION.**

4.27 \$10,000,000 in fiscal year 2018 is appropriated from the general fund to the commissioner
4.28 of human services to administer the grant program described in Minnesota Statutes, section
4.29 245.4662. The unencumbered balance in the first year does not cancel but is available for
4.30 the second year.