SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 1890

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DATE	D-PG	OFFICIAL STATUS
02/28/2019	586	Introduction and first reading Referred to Human Services Reform Finance and Policy
03/07/2019	716	Withdrawn and re-referred to Health and Human Services Finance and Policy

A bill for an act

relating to human services; providing a rate increase for certain mental health providers; requiring a rate-setting proposal; amending Minnesota Statutes 2018, sections 256B.0625, subdivision 38; 256B.761.

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

Section 1. Minnesota Statutes 2018, section 256B.0625, subdivision 38, is amended to read:

Subd. 38. **Payments for mental health services.** ~~Payments for mental health services covered under the medical assistance program that are provided by masters-prepared mental health professionals shall be 80 percent of the rate paid to doctoral-prepared professionals. Payments for mental health services covered under the medical assistance program that are provided by masters-prepared mental health professionals employed by community mental health centers shall be 100 percent of the rate paid to doctoral-prepared professionals.~~ Payments for mental health services covered under the medical assistance program that are provided by physician assistants shall be 80.4 percent of the base rate paid to psychiatrists.

Sec. 2. Minnesota Statutes 2018, 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.

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

2.8 (c) The commissioner shall establish three levels of payment for mental health diagnostic
2.9 assessment, based on three levels of complexity. The aggregate payment under the tiered
2.10 rates must not exceed the projected aggregate payments for mental health diagnostic
2.11 assessment under the previous single rate. The new rate structure is effective January 1,
2.12 2011, or upon federal approval, whichever is later.

2.13 (d) In addition to rate increases otherwise provided, the commissioner may restructure
2.14 coverage policy and rates to improve access to adult rehabilitative mental health services
2.15 under section 256B.0623 and related mental health support services under section 256B.021,
2.16 subdivision 4, paragraph (f), clause (2). For state fiscal years 2015 and 2016, the projected
2.17 state share of increased costs due to this paragraph is transferred from adult mental health
2.18 grants under sections 245.4661 and 256E.12. The transfer for fiscal year 2016 is a permanent
2.19 base adjustment for subsequent fiscal years. Payments made to managed care plans and
2.20 county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect
2.21 the rate changes described in this paragraph.

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

2.24 (f) Effective January 1, 2020, managed care plans and county-based purchasing plans
2.25 must reimburse providers of mental health services who are employed by or under contract
2.26 with the plan an amount that is at least as much as the fee-for-service payment for the same
2.27 mental health service for outpatient therapy under section 256B.0625, subdivision 65;
2.28 psychiatry services; adult rehabilitative mental health services under section 256B.0623;
2.29 children's therapeutic support services under section 256B.0943; and in-home therapy
2.30 services. Quality measures that must be tracked in conjunction with this paragraph include
2.31 rate of access to mental health services and mental health inpatient hospitalization rates.

2.32 (g) Effective for services rendered on or after January 1, 2020, payment rates for the
2.33 following mental health services shall be increased by 25 percent from the rates in effect
2.34 on December 31, 2019: outpatient therapy under section 256B.0625, subdivision 65;

3.1 psychiatry services; adult rehabilitative mental health services under section 256B.0623;
3.2 children's therapeutic support services under section 256B.0943; and in-home therapy
3.3 services. Effective for services rendered on or after January 1, 2021, rates shall be annually
3.4 adjusted according to the Consumer Price Index for medical care services. This paragraph
3.5 does not apply to federally qualified health centers, rural health centers, Indian health
3.6 services, certified community behavioral health clinics, cost-based rates, and rates that are
3.7 negotiated with the county.

3.8 Sec. 3. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES;**
3.9 **RATE-SETTING PROPOSAL.**

3.10 The commissioner of human services shall develop a comprehensive rate-setting proposal
3.11 compliant with federal criteria for outpatient, professional, and physician services that do
3.12 not have a cost-based, federally mandated, or contracted rate. The proposal must include
3.13 recommendations for changes to the existing fee schedule that utilize the resource-based
3.14 relative value system, alternate payment methodologies for services that do not have relative
3.15 values, and an alternative comprehensive payment methodology for services by a provider
3.16 that serves a disproportionate number of medical assistance recipients and is licensed or
3.17 certified under Minnesota Statutes, section 256B.0625, subdivision 5, to simplify the
3.18 fee-for-service medical assistance rate structure and to improve consistency and transparency.
3.19 In developing the proposal, the commissioner of human services shall consult with key
3.20 stakeholders, including community-based mental health providers, substance use disorder
3.21 service providers, home health care service providers, and others as identified by the
3.22 commissioner of human services. The commissioner of human services shall provide the
3.23 proposal to the chairs and ranking minority members of the legislative committees with
3.24 jurisdiction over health and human services finance and policy by January 1, 2020.