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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 3730

03/31/2016 Authored by Loeffler, Schultz and Fischer

The bill was read for the first time and referred to the Committee on Health and Human Services Finance

1.1 A bill for an act
1.2 relating to mental health; modifying the liability of counties for cost of care;
amending Minnesota Statutes 2014, section 246.54, as amended.
1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2014, section 246.54, as amended by Laws 2015, chapter
1.6 71, article 4, section 2, is amended to read:

1.7 **246.54 LIABILITY OF COUNTY; REIMBURSEMENT.**

1.8 Subdivision 1. **County portion for cost of care.** (a) Except for chemical
1.9 dependency services provided under sections 254B.01 to 254B.09, the client's county
1.10 shall pay to the state of Minnesota a portion of the cost of care provided in a regional
1.11 treatment center or a state nursing facility to a client legally settled in that county. A
1.12 county's payment shall be made from the county's own sources of revenue and payments
1.13 shall equal a percentage of the cost of care, as determined by the commissioner, for each
1.14 day, or the portion thereof, that the client spends at a regional treatment center or a state
1.15 nursing facility according to the following schedule:

1.16 (1) zero percent for the first 30 days;

1.17 (2) 20 percent for days 31 and over if the stay is determined to be clinically
1.18 appropriate for the client; and

1.19 (3) 100 percent for each day during the stay, including the day of admission, when
1.20 the facility determines that it is clinically appropriate for the client to be discharged,
1.21 except the rate shall remain 20 percent if the client's county meets the requirements of
1.22 subdivision 2, paragraph (c).

1.23 (b) If payments received by the state under sections 246.50 to 246.53 exceed 80
1.24 percent of the cost of care for days over 31 for clients who meet the criteria in paragraph

(a), clause (2), the county shall be responsible for paying the state only the remaining amount. The county shall not be entitled to reimbursement from the client, the client's estate, or from the client's relatives, except as provided in section 246.53.

Subd. 2. **Exceptions.** (a) Subdivision 1 does not apply to services provided at the Minnesota Security Hospital. For services at the Minnesota Security Hospital, a county's payment shall be made from the county's own sources of revenue and payments. Excluding the state-operated forensic transition service, payments to the state from the county shall equal ten percent of the cost of care, as determined by the commissioner, for each day, or the portion thereof, that the client spends at the facility. For the state-operated forensic transition service, payments to the state from the county shall equal 50 percent of the cost of care, as determined by the commissioner, for each day, or the portion thereof, that the client spends in the program. If payments received by the state under sections 246.50 to 246.53 for services provided at the Minnesota Security Hospital, excluding the state-operated forensic transition service, exceed 90 percent of the cost of care, the county shall be responsible for paying the state only the remaining amount. If payments received by the state under sections 246.50 to 246.53 for the state-operated forensic transition service exceed 50 percent of the cost of care, the county shall be responsible for paying the state only the remaining amount. The county shall not be entitled to reimbursement from the client, the client's estate, or from the client's relatives, except as provided in section 246.53.

(b) Regardless of the facility to which the client is committed, subdivision 1 does not apply to the following individuals:

(1) clients who are committed as sexual psychopathic personalities under section 253D.02, subdivision 15; and

(2) clients who are committed as sexually dangerous persons under section 253D.02, subdivision 16.

(c) A county shall be exempt from the 100 percent reimbursement for cost of care if the county:

(1) establishes a separate account for the development of community-based mental health services;

(2) certifies to the commissioner that 80 percent of the cost of care for each day a client is in a facility when it is clinically appropriate for the client to be discharged has been deposited in the separate account for the development of community-based mental health services;

(3) uses the deposited funds to develop and provide local community-based services to support individuals who are discharged from inpatient treatment and to develop and

3.1 provide preventive services to support individuals in the community and avoid inpatient
3.2 treatment; and

3.3 (4) issues an annual accounting and report to the commissioner on the amount
3.4 of funds deposited into the dedicated account, the amount spent on community-based
3.5 services, the types of services provided, and the benefits realized from using the funds
3.6 to develop community resources for individuals who have received, or are at risk of,
3.7 inpatient treatment.

3.8 Funds deposited in the special account shall not be used to supplant existing funds
3.9 and resources, but shall be used to supplement existing funds and resources for
3.10 community-based mental health services.