

**SENATE**  
**STATE OF MINNESOTA**  
**NINETIETH SESSION**

**S.F. No. 984**

(SENATE AUTHORS: RELPH, Hoffman, Lourey, Rosen and Abeler)

DATE	D-PG	OFFICIAL STATUS
02/15/2017	605	Introduction and first reading Re-referred to Human Services Reform Finance and Policy

1.1 A bill for an act

1.2 relating to human services; modifying provisions related to mental health services;

1.3 providing reimbursement for institutions of mental disease for children; requiring

1.4 a comprehensive analysis and report on intensive mental health services for

1.5 children; amending Minnesota Statutes 2016, section 256B.0945, subdivisions 2,

1.6 4.

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

1.8 Section 1. Minnesota Statutes 2016, section 256B.0945, subdivision 2, is amended to read:

1.9 Subd. 2. **Covered services.** All services must be included in a child's individualized

1.10 treatment or multiagency plan of care as defined in chapter 245.

1.11 For facilities that are not institutions for mental diseases according to federal statute and

1.12 regulation, medical assistance covers mental health-related services that are required to be

1.13 provided by a residential facility under section 245.4882 and administrative rules promulgated

1.14 thereunder, except for room and board. For residential facilities determined by the federal

1.15 Centers for Medicare and Medicaid Services to be an institution for mental diseases, medical

1.16 assistance covers medically necessary mental health services provided by the facility

1.17 according to section 256B.055, subdivision 13, except for room and board.

1.18 Sec. 2. Minnesota Statutes 2016, section 256B.0945, subdivision 4, is amended to read:

1.19 Subd. 4. **Payment rates.** (a) Notwithstanding sections 256B.19 and 256B.041, payments

1.20 to counties for residential services provided under this section by a residential facility shall:

1.21 (1) for services provided by a residential facility that is not an institution for mental

1.22 diseases, only be made of federal earnings for services provided ~~under this section~~, and the

1.23 nonfederal share of costs for services provided under this section shall be paid by the county

2.1 from sources other than federal funds or funds used to match other federal funds. Payment  
2.2 to counties for services provided according to this section shall be a proportion of the per  
2.3 day contract rate that relates to rehabilitative mental health services and shall not include  
2.4 payment for costs or services that are billed to the IV-E program as room and board; and

2.5 (2) for services provided by a residential facility that is determined to be an institution  
2.6 for mental diseases, be equivalent to the federal share of the payment that would have been  
2.7 made if the residential facility were not an institution for mental diseases. The portion of  
2.8 the payment representing what would be the nonfederal shares shall be paid by the county.  
2.9 Payment to counties for services provided according to this section shall be a proportion of  
2.10 the per day contract rate that relates to rehabilitative mental health services and shall not  
2.11 include payment for costs or services that are billed to the IV-E program as room and board.

2.12 (b) Per diem rates paid to providers under this section by prepaid plans shall be the  
2.13 proportion of the per-day contract rate that relates to rehabilitative mental health services  
2.14 and shall not include payment for group foster care costs or services that are billed to the  
2.15 county of financial responsibility. Services provided in facilities located in bordering states  
2.16 are eligible for reimbursement on a fee-for-service basis only as described in paragraph (a)  
2.17 and are not covered under prepaid health plans.

2.18 (c) Payment for mental health rehabilitative services provided under this section by or  
2.19 under contract with an American Indian tribe or tribal organization or by agencies operated  
2.20 by or under contract with an American Indian tribe or tribal organization must be made  
2.21 according to section 256B.0625, subdivision 34, or other relevant federally approved  
2.22 rate-setting methodology.

2.23 (d) The commissioner shall set aside a portion not to exceed five percent of the federal  
2.24 funds earned for county expenditures under this section to cover the state costs of  
2.25 administering this section. Any unexpended funds from the set-aside shall be distributed to  
2.26 the counties in proportion to their earnings under this section.

2.27 **Sec. 3. CHILDREN'S MENTAL HEALTH REPORT AND RECOMMENDATIONS.**

2.28 The commissioner of human services shall conduct a comprehensive analysis of  
2.29 Minnesota's continuum of intensive mental health services and shall develop  
2.30 recommendations for a sustainable and community-driven continuum of care for children  
2.31 with serious mental health needs, including children currently being served in residential  
2.32 treatment. The commissioner's analysis shall include, but not be limited to:

3.1 (1) data related to access, utilization, efficacy, and outcomes for Minnesota's current  
3.2 system of residential mental health treatment for a child with a severe emotional disturbance;

3.3 (2) potential expansion of the state's psychiatric residential treatment facility (PRTF)  
3.4 capacity, including increasing the number of PRTF beds and conversion of existing children's  
3.5 mental health residential treatment programs into PRTFs;

3.6 (3) the capacity need for PRTF and other group settings within the state if adequate  
3.7 community-based alternatives are accessible, equitable, and effective statewide;

3.8 (4) recommendations for expanding alternative community-based service models to  
3.9 meet the needs of a child with a serious mental health disorder who would otherwise require  
3.10 residential treatment and potential service models that could be utilized, including data  
3.11 related to access, utilization, efficacy, and outcomes;

3.12 (5) models of care used in other states; and

3.13 (6) analysis and specific recommendations for the design and implementation of new  
3.14 service models, including analysis to inform rate setting as necessary.

3.15 The analysis shall be supported and informed by extensive stakeholder engagement.  
3.16 Stakeholders include individuals who receive services, family members of individuals who  
3.17 receive services, providers, counties, health plans, advocates, and others. Stakeholder  
3.18 engagement shall include interviews with key stakeholders, intentional outreach to individuals  
3.19 who receive services and the individual's family members, and regional listening sessions.

3.20 The commissioner shall provide a report with specific recommendations and timelines  
3.21 for implementation to the legislative committees with jurisdiction over children's mental  
3.22 health policy and finance by November 15, 2018.