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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. **2741**

03/06/2014 Authored by 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 human services; modifying funding for mental health services;  
1.3 appropriating money; amending Minnesota Statutes 2013 Supplement, section  
1.4 256B.761.

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

1.6 Section 1. Minnesota Statutes 2013 Supplement, section 256B.761, is amended to read:

1.7 **256B.761 REIMBURSEMENT FOR MENTAL HEALTH SERVICES.**

1.8 (a) Effective for services rendered on or after July 1, 2001, payment for medication  
1.9 management provided to psychiatric patients, outpatient mental health services, day  
1.10 treatment services, home-based mental health services, and family community support  
1.11 services shall be paid at the lower of (1) submitted charges, or (2) 75.6 percent of the  
1.12 50th percentile of 1999 charges.

1.13 (b) Effective July 1, 2001, the medical assistance rates for outpatient mental health  
1.14 services provided by an entity that operates: (1) a Medicare-certified comprehensive  
1.15 outpatient rehabilitation facility; and (2) a facility that was certified prior to January 1,  
1.16 1993, with at least 33 percent of the clients receiving rehabilitation services in the most  
1.17 recent calendar year who are medical assistance recipients, will be increased by 38 percent,  
1.18 when those services are provided within the comprehensive outpatient rehabilitation  
1.19 facility and provided to residents of nursing facilities owned by the entity.

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

2.1 (d) In addition to rate increases otherwise provided, the commissioner may  
2.2 restructure coverage policy and rates to improve access to adult rehabilitative mental  
2.3 health services under section 256B.0623 and related mental health support services under  
2.4 section 256B.021, subdivision 4, paragraph (f), clause (2). ~~For state fiscal years 2015 and~~  
2.5 ~~2016, the projected state share of increased costs due to this paragraph is transferred~~  
2.6 ~~from adult mental health grants under sections 245.4661 and 256E.12. The transfer for~~  
2.7 ~~fiscal year 2016 is a permanent base adjustment for subsequent fiscal years. Payments~~  
2.8 made to managed care plans and county-based purchasing plans under sections 256B.69,  
2.9 256B.692, and 256L.12 shall reflect the rate changes described in this paragraph.

2.10 Sec. 2. **APPROPRIATION.**

2.11 \$1,804,000 in fiscal year 2015 and \$6,025,000 in fiscal year 2016 are appropriated  
2.12 from the general fund to the commissioner of human services for adult mental health  
2.13 grants. The appropriation for fiscal year 2016 is a permanent base adjustment. These  
2.14 funds shall be used to:

2.15 (1) increase the availability of a range of community-based housing options with  
2.16 supports for persons with serious mental illnesses, which utilize evidenced-based practices  
2.17 such as permanent supportive housing;

2.18 (2) fund housing support services for persons with serious mental illnesses, such as  
2.19 tenancy support, front desk coverage, and other housing supports that cannot be funded  
2.20 through other sources; and

2.21 (3) employ housing support specialists within community support services programs  
2.22 under Minnesota Statutes, section 245.4712, subdivision 1, to assist people with mental  
2.23 illnesses in finding and securing housing, and support people in their housing.