

245.4661 ADULT MENTAL HEALTH INITIATIVE SERVICES.

Subdivision 1. **Adult mental health initiative services.** Each county board, county boards acting jointly, or Tribal government must provide or contract for sufficient infrastructure for the delivery of mental health services under the Minnesota Comprehensive Adult Mental Health Act, sections 245.461 to 245.486.

Subd. 1a. **Direct payment.** For purposes of this section, "direct payment" means a funding mechanism used by the commissioner to distribute state appropriations to a county or Tribe for the purpose of carrying out duties, services, or activities authorized under this section. A direct payment is not a grant under section 16B.97 and is not subject to statewide grant-making policies and laws, including but not limited to sections 16A.15 and 16C.05, except as specifically required by the commissioner. A direct payment must be used for the purposes and allowable activities established by the commissioner and is subject to financial oversight, reporting, and monitoring requirements under subdivision 12.

Subd. 2. **Program design and implementation.** Adult mental health initiatives shall be responsible for designing, planning, improving, and maintaining a mental health service delivery system for adults with serious and persistent mental illness that would:

(1) provide an expanded array of services from which clients can choose services appropriate to their needs;

(2) be based on purchasing strategies that improve access and coordinate services without cost shifting;

(3) prioritize evidence-based services and implement services that are promising practices or theory-based practices so that the service can be evaluated according to subdivision 5a;

(4) incorporate existing state facilities and resources into the community mental health infrastructure through creative partnerships with local vendors; and

(5) utilize adult mental health initiative funding only after all other eligible funding sources have been applied. Appropriations and all funds that are attributable to the operation of state-operated services under the control of the Direct Care and Treatment executive board are excluded unless appropriated specifically by the legislature for a purpose consistent with this section.

Subd. 3. **Adult mental health initiative evaluation.** Evaluation of each adult mental health initiative will be based on outcome evaluation criteria determined by the commissioners of human services and management and budget after consultation with stakeholders.

Subd. 3a. **Authority and rulemaking.** (a) The commissioner may distribute money under this section through direct payments to counties or Tribes when the commissioner determines that a direct payment is the most effective and efficient method to support the delivery of adult mental health services, Tribal government activities, or county responsibilities under this section. The commissioner shall establish eligibility criteria, allowable uses, documentation standards, and reporting requirements for recipients of direct payments. The commissioner is authorized to engage in rulemaking to fulfill the requirements of this subdivision.

(b) By January 1, 2027, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy that includes, at a minimum, the commissioner's plan for determining direct payment eligibility criteria, allowable uses of direct payments, documentation standards, and reporting requirements for recipients of direct payments.

Subd. 4. **Notice of adult mental health initiative discontinuation.** Each adult mental health initiative may be discontinued for any reason by the managing entity or the commissioner of human services, after 90 days' written notice to the other party.

Subd. 5. **Planning for adult mental health initiatives.** Each local plan for adult mental health initiative services must be developed under the direction of the county board, or multiple county boards acting jointly, as the local mental health authority. The planning process for each adult mental health initiative shall include, but not be limited to, mental health consumers, families, advocates, local mental health advisory councils, local and state providers, representatives of state and local public employee bargaining units, and the department of human services. As part of the planning process, the county board or boards shall designate a managing entity responsible for receipt of funds and management of adult mental health initiatives.

Subd. 5a. **Evaluations.** The commissioner of management and budget, in consultation with the commissioner of human services and within available appropriations, shall create and maintain an inventory of adult mental health initiative services administered by the county boards, identifying evidence-based services and services that are theory-based or promising practices. The commissioner of management and budget, in consultation with the commissioner of human services, shall select adult mental health initiative services that are promising practices or theory-based activities for which the commissioner of management and budget shall conduct evaluations using experimental or quasi-experimental design. The commissioner of human services, in consultation with the commissioner of management and budget, shall encourage county boards to administer adult mental health initiative services to support experimental or quasi-experimental evaluation and shall require county boards to collect and report information that is needed to complete the inventory and evaluation for any adult mental health initiative service that is selected for an evaluation. The commissioner of management and budget, under section 15.08, may obtain additional relevant data to support the inventory and the experimental or quasi-experimental evaluation studies.

Subd. 6. **Duties of commissioner.** (a) For purposes of adult mental health initiatives, the commissioner shall facilitate integration of funds or other resources as needed and requested by each adult mental health initiative. These resources may include:

- (1) community support services funds administered under Minnesota Rules, parts 9535.1700 to 9535.1760;
 - (2) other mental health special project funds;
 - (3) medical assistance, MinnesotaCare, and housing support under chapter 256I if requested by the adult mental health initiative's managing entity and if the commissioner determines this would be consistent with the state's overall health care reform efforts; and
 - (4) regional treatment center resources, with consent from the Direct Care and Treatment executive board.
- (b) The commissioner shall review overall status of the initiatives at least every two years and recommend any legislative changes needed by January 15 of each odd-numbered year.
- (c) The commissioner may waive administrative rule requirements that are incompatible with the implementation of the adult mental health initiative.
- (d) The commissioner may exempt the participating counties from fiscal sanctions for noncompliance with requirements in laws and rules that are incompatible with the implementation of the adult mental health initiative.

(e) The commissioner may award grants to an entity designated by a county board or group of county boards to pay for start-up and implementation costs of the adult mental health initiative.

Subd. 7. **Duties of adult mental health initiative board.** The adult mental health initiative board, or other entity which is approved to administer an adult mental health initiative, shall:

(1) administer the initiative in a manner that is consistent with the objectives described in subdivision 2 and the planning process described in subdivision 5;

(2) assure that no one is denied services that they would otherwise be eligible for; and

(3) provide the commissioner of human services with timely and pertinent information through the submission of data and participation in an evaluation of the adult mental health initiatives, to be designed cooperatively by the commissioner and the initiatives. For services provided to American Indians in Tribal Nations or urban Indian communities, oral reports using a system designed in partnership between the commissioner and the reporting community satisfy the requirements of this clause.

Subd. 8. MS 2020 [Repealed, 2022 c 99 art 1 s 49]

Subd. 9. **Programs and eligible services.** (a) The following three distinct programs may receive direct payments under this section:

(1) mental health crisis services;

(2) housing with supports for adults with serious mental illness; and

(3) projects for assistance in transitioning from homelessness (PATH program).

(b) The following services are eligible for funding as direct payments under this section as the payor of last resort:

(1) community education and prevention;

(2) client outreach;

(3) early identification and intervention;

(4) adult outpatient diagnostic assessment and psychological testing;

(5) peer support services;

(6) community support program services (CSP);

(7) adult residential crisis stabilization;

(8) supported employment;

(9) assertive community treatment (ACT);

(10) housing subsidies;

(11) basic living, social skills, and community intervention;

(12) emergency response services;

(13) adult outpatient psychotherapy;

(14) adult outpatient medication management;

(15) adult mobile crisis services, including the purchase and renovation of vehicles by mobile crisis teams in order to provide protected transport under section 256B.0625, subdivision 17, paragraph (l), clause (6);

(16) adult day treatment;

(17) partial hospitalization;

(18) adult residential treatment;

(19) adult mental health targeted case management; and

(20) transportation.

Subd. 10. **Commissioner duty to report on use of funds biennially.** (a) By November 1, 2016, and biennially thereafter, the commissioner shall provide sufficient information to the members of the legislative committees having jurisdiction over mental health funding and policy issues to evaluate the use of funds appropriated under this section. The commissioner shall provide, at a minimum, the following information:

(1) the amount of funding to adult mental health initiatives, what programs and services were funded in the previous two years, gaps in services that each initiative brought to the attention of the commissioner, and outcome data for the programs and services that were funded; and

(2) the amount of funding for other targeted services and the location of services.

(b) This subdivision expires January 1, 2032.

Subd. 11. **Adult mental health initiative funding.** When implementing the funding formula to distribute adult mental health initiative funds, the commissioner shall ensure that no adult mental health initiative region receives less than the amount the region received in fiscal year 2022 in combined adult mental health initiative funding.

Subd. 12. **Oversight of direct payments.** (a) The commissioner shall develop and maintain monitoring, financial review, and accountability procedures for all direct payments issued under this section.

(b) Recipients of direct payments must comply with all documentation, reporting, and expenditure requirements established by the commissioner.

(c) The commissioner may require corrective action, suspend payments, or recover money if a recipient fails to comply with requirements established under this subdivision.

(d) The commissioner shall develop a direct payment acknowledgment process to ensure that recipients understand the terms, conditions, and oversight requirements associated with direct payments.

(e) The commissioner is authorized to engage in rulemaking to fulfill the requirements of this subdivision.

(f) By January 1, 2027, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy that, at a minimum, describes the commissioner's development of the monitoring, financial review, and accountability procedures as required under this section.

History: 1999 c 245 art 5 s 21; 2005 c 98 art 3 s 6; 1Sp2005 c 4 art 2 s 2; art 5 s 4,5; 2013 c 107 art 4 s 1,2; 2013 c 108 art 4 s 2,3; 2015 c 71 art 2 s 8-11; 2016 c 158 art 1 s 84; art 2 s 45; 1Sp2017 c 6 art 2

s 39; 2021 c 30 art 17 s 21; 2022 c 98 art 14 s 10; 2022 c 99 art 1 s 6; 2023 c 25 s 116,117; 2023 c 70 art 17 s 3; 2024 c 79 art 8 s 7,8; 2025 c 38 art 4 s 7; 1Sp2025 c 3 art 15 s 1-3; 2026 c 121 art 6 s 1-5