# 2021 Behavioral Health Special Session Legislative Summary

The following is a summary of legislative changes and actions that passed as part of the Omnibus Health and Human Services Budget Bill in the 2021 first special session and affect programs/services for individuals with mental illness or substance use disorders. The budget bill (HF 33, 2nd engrossment) can be found in Chapter 7 of Minnesota Laws 2021, First Special Session. Information on legislation that passed during the 2021 Regular Legislative Session is posted on the 2021 Legislative Session Updates webpage and can be found here.

Sections included in the summary:



## Updates to COVID-19 Waivers

### Waivers and Modifications; Federal Funding Extension

The legislature added certain DHS program waivers and modifications issued pursuant to Executive Orders 20-11 and 20-12 that are required to comply with federal law to the list of waivers and modifications that may remain in effect after the peacetime emergency declared by the governor in response to the COVID-19 outbreak expires, is terminated, or is rescinded by the proper authority. The waivers and modifications may remain in effect for the time period set out in applicable federal law, federally approved waiver, or state plan amendment. This change impacts CV.24 — Allowing phone or video use for targeted case management visits and CV.30 — Expanding telemedicine in health care, mental health, and substance use disorder settings among other waivers. This section is effective June 30, 2021. *(MN Laws 2021, 1st Special Session, Chapter 7, Article 2, section 71)*

### Extension of COVID-19 Human Services Program Modifications

The legislature extended the end date for CV.16 — Expanding access to telemedicine services for Children's Health Insurance Program, Medical Assistance and MinnesotaCare enrollees and CV.21 — Allowing telemedicine alternative for School-Linked Mental Health services and Intermediate School District Mental Health services for children and their families to July 1, 2023. This section is effective June 30, 2021. (*MN Laws 2021, 1st Special Session, Chapter 7, Article 6, section 26)*

## Telehealth Legislative Changes

The legislature made updates to telehealth services for Minnesota Health Care Programs (MHCP) in Minnesota Statutes, section 256B.0625, subdivision 3b. The changes included modifying MHCP coverage of telehealth services to be consistent with changes made to telehealth coverage requirements for health carriers that are reflected in Minnesota Statutes, section 62A.676.

The legislature updated terminology from "telemedicine" to "telehealth" and defined "telehealth" as "the delivery of health care services or consultations through the use of real time two-way interactive audio and visual communication to provide or support health care delivery and facilitate the assessment, diagnosis, consultation, treatment, education, and care management of a patient's health care. Telehealth includes the application of secure video conferencing, store-and-forward technology, and synchronous interactions between a patient located at an originating site and a health care provider located at a distant site. Telehealth does not include communication between health care providers, or between a health care provider and a patient that consists solely of an audio-only communication, e-mail, or facsimile transmission or specified by law."

The legislature modified the definition of "health care provider" to be defined under Minnesota Statutes, section 62A.673. The definition of "health care provider" under section 62A.673 includes the following behavioral health staff:

- Mental health professional as defined under section 245.462, subdivision 18, or 245.4871, subdivision 27
- Mental health practitioner as defined under section 245.462, subdivision 17, or 245.4871, subdivision 26
- Treatment coordinator under section 245G.11, subdivision 7
- Alcohol and drug counselor under section 245G.11, subdivision 5
- Recovery peer under section 245G.11, subdivision 8

The legislature added the following behavioral health staff as authorized to perform services via telehealth for Minnesota Health Care Programs:

- Mental health certified peer specialist under section 256B.0615, subdivision 5
- Mental health certified family peer specialist under section 256B.0616, subdivision 5
- Mental health rehabilitation worker under section 256B.0623, subdivision 5, paragraph (a), clause (4), and paragraph (b)
- Mental health behavioral aide under section 256B.0943, subdivision 7, paragraph (b), clause (3)

- Treatment coordinator under section 245G.11, subdivision 7
- Alcohol and drug counselor under section 245G.11, subdivision 5
- Recovery peer under section 245G.11, subdivision 8

Other changes made include:

- Removing the coverage limit of three telemedicine services per enrollee per calendar week.
- Authorizing telehealth visits provided through audio and visual communication to be used to satisfy the face-to-face requirement for reimbursement under the payment methods that apply to federally qualified health centers, rural health clinics, Indian health services, 638 tribal clinics, and certified community behavioral health clinics if the service would have otherwise qualified for payment if performed in person.
- Permitting a provider to document a client's verbal approval of the treatment plan or change to the treatment plan in lieu of the client's signature when mental health services or assessments are delivered through telehealth and are based on an individual treatment plan.
- Adding definitions of "originating site", "distant site", and "store-and-forward technology" to have the meanings given in Minnesota Statutes, section 62A.673, subdivision 2.

This section is effective July 1, 2021 or upon federal approval, whichever is later. *(MN Laws 2021, 1st Special Session, Chapter 7, Article 6, section 11)*

The legislature made a few other updates to telehealth:

- Allowed audio-only telehealth services under MA and MinnesotaCare through June 30, 2023. This provision is effective July 1, 2021. *(MN Laws 2021, 1st Special Session, Chapter 7, Article 6, section 26)*
- Updated cross-references to telehealth in chapters 254A and 254B. These sections are effective July 1, 2021 or upon federal approval, whichever is later. *(MN Laws 2021, 1st Special Session, Chapter 7, Article 6, sections 7-8)*
- Updated ACT statute to permit a psychiatric care provider who is a member of an Assertive Community Treatment (ACT) team to use telehealth generally, without receiving approval from the commissioner. This section is effective July 1, 2021. *(MN Laws 2021, 1st Special Session, Chapter 7, Article 6, section 10)*
- Updated mental health telehealth statute to allow mental health services covered by Medical Assistance (MA) as direct face-to-face services to be provided through telehealth. Current law allows these services to be provided through two-way interactive video. This section is effective July 1, 2021. *(MN Laws 2021, 1st Special Session, Chapter 7, Article 6, section 16)*
- Updated the telehealth reference in Children's Therapeutic Services and Supports (CTSS) statute to refer to telehealth as defined in Minnesota Statutes, section 256B.0625, subdivision 3b. This section is effective July 1, 2021. *(MN Laws 2021, 1st Special Session, Chapter 7, Article 6, section 22)*
- Updated the definition of "face-to-face" in the substance use disorder treatment program licensing chapter, Minnesota Statutes, Chapter 245G to clarify that services may be delivered via telehealth. Changed the terminology from "telemedicine" to "telehealth" in Minnesota Statutes, section 245G.01, subdivision 26 and added a reference to telehealth as defined in Minnesota Statutes, section 256B.0625,

subdivision 3b. These sections are effective July 1, 2021 or upon federal approval, whichever is later. *(MN Laws 2021, 1st Special Session, Chapter 7, Article 6, sections 4-5)*

- Allowed an alcohol and drug counselor to document a client's approval of a treatment plan or change to a treatment plan verbally or electronically, in lieu of a signature, if a client is receiving services or an assessment via telehealth. This section is effective July 1, 2021. *(MN Laws 2021, 1st Special Session, Chapter 7, Article 6, section 6)*
- Updated terminology from telemedicine to telehealth for Early Intensive Developmental and Behavioral Intervention (EIDBI) benefits. Providers delivering EIDBI services via telehealth must now deliver them with the same service thresholds, authorization requirements and reimbursement rates as services delivered in person, as outlined on the EIDBI billing grid. *(MN Laws 2021, 1st Special Session, Chapter 7, Article 6, section 23)*
- While the changes made to "telehealth" do not apply to mental health targeted case management (TCM), there were changes made to how TCM services can be delivered. The legislature allowed real-time two-way interactive audio and visual communication to be used to meet minimum face-to-face contact requirements in all types of targeted case management; previously, this was only allowed for a limited subset of people receiving adult mental health TCM and vulnerable adult/developmental disability TCM. The one exception will be that children who are in out-of-home placements or receiving TCM for child protection reasons must continue to have in-person contact to comply with other state and federal requirements. These sections are effective July 1, 2021 or upon federal approval, whichever is later. *(MN Laws 2021, 1st Special Session, Chapter 7, Article 6, sections 9, 14, 15, 20, 21, and 29, paragraph (b))*

## Study of Telehealth Expansion and Payment Parity

The legislature required DHS, in consultation with the Department of Health and the Department of Commerce, to study the impact of telehealth expansion and payment parity legislative changes on the coverage and provision of health care services under public health programs. The study must review and make recommendations relating to:

- the impact of telehealth expansion and payment parity on access to health care services, quality of care, health outcomes, patient satisfaction, and value-based payments and innovation in health care delivery;
- the impact of telehealth expansion and payment parity on reducing health care disparities and providing equitable access to health care services for underserved communities;
- whether audio-only communication as a permitted option for delivering services supports equitable access to health care services, including behavioral health services, for the elderly, rural communities, and communities of color, and eliminates barriers to care for vulnerable and underserved populations without reducing the quality of care, worsening health outcomes, or decreasing satisfaction with care;
- the services and populations, if any, for which increased access to telehealth improves or negatively impacts health outcomes;
- the extent to which services provided through telehealth: substitute for an in-person visit; are services that were previously not billed or reimbursed; or are in addition to or are duplicative of services that the patient has received or will receive as part of an in-person visit;

- the effect of telehealth expansion and payment parity on public and private sector health care costs, including health insurance premiums; and
- the impact of telehealth expansion and payment parity, especially in rural areas, on patient access to, and the availability of, in-person care, including specialty care.

The study must also report on:

- the criteria payers used during the study period to determine which patients were medically appropriate to be served through telehealth, and which categories of service were medically appropriate to be delivered through telehealth, including but not limited to the use of audio-only communication; and
- the methods payers used to ensure that patients were allowed to choose to receive a service through telehealth or in person during the study period.

In conducting the study, DHS must consult with public program enrollees and other patients, providers, communities impacted by telehealth expansion and payment parity, and other stakeholders. DHS may use data available under Minnesota Statues, section 62U.04, subdivision 11 to conduct the studies and may consult with experts in payment policy and health care delivery. Health plan companies must submit information requested by the commissioners for purposes of the studies in the form and manner specified by the commissioners.

DHS must present a preliminary report to the legislature by January 15, 2023 and include qualitative and any available quantitative findings, and recommendations on whether audio-only communication should be allowed as a telehealth option beyond June 30, 2023. A final report is due January 15, 2024. This section is effective July 1, 2021. *(MN Laws 2021, 1st Special Session, Chapter 7, Article 6, section 27)*

# Behavioral Health Related Legislative Changes

## School-Linked Behavioral Health Grants

Current statute for school-linked mental health grants, Minnesota Statutes, section 245.4901, was amended to create school-linked behavioral health grants that include both mental health and substance use disorder services for students. This section is effective July 1, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 7)*

The legislature directed DHS to allocate funding from the federal community mental health block grant for mental health services provided through the school-linked behavioral health grant program under section 245.4901. The legislation requires DHS to allocate $2.5 million in FY 2022, $2.5 million in FY 2023, $2.5 million in FY 2024, and $2.5 million in FY 2025 for this purpose. This section is effective July 1, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 43)*

The legislation also directed DHS to allocate funding from the federal substance abuse prevention block grant for substance use disorder services provided through the school-linked behavioral health grant program under section 245.4901. The legislation requires DHS to allocate $1.75 million in FY 2022, $1.75 million in FY 2023,

$1.75 million in FY 2024, and $1.75 million in FY 2025 for this purpose. This section is effective July 1, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 44)*

## Culturally and Linguistically Appropriate Services (CLAS) Standards Statewide Plan

The legislature directed DHS to develop a statewide implementation and transition plan for culturally and linguistically appropriate services (CLAS) national standards, including technical assistance for providers to transition to CLAS standards and to improve disparate treatment outcomes. DHS is required to consult with substance use disorder treatment providers, lead agencies, individuals who receive substance use disorder treatment services, and individuals who are Black, indigenous, people of color, and linguistically diverse in the development of the implementation and transition plans. This section is effective July 1, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 40)*

## Culturally and Linguistically Appropriate Services Implementation Grants

The legislature appropriated $2,275,000 in fiscal year 2022 and $2,206,000 in fiscal year 2023 from the general fund for grants to disability services, mental health, and substance use disorder treatment providers to implement culturally and linguistically appropriate services standards, according to the implementation and transition plan developed by the commissioner. This section is effective July 1, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 16, Section 2, subdivision 31, paragraph a)*

## Behavioral Health Grant State General Fund Reductions; Backfill with Federal Funding

The legislature decreased state general fund dollars for children's Mental Health First Aid Training Grants by $23,000 in FY 2022 and $23,000 in FY 2023. This funding decrease is offset with federal grant funding through the Community Mental Health Services Block Grant. The legislature also decreased state general fund dollars for Chemical Dependency Treatment Support Grants for Chemical Dependency Peer Specialists by $363,000 in FY 2022 and $363,000 in FY 2023. This funding decrease is offset with federal grant funding through the Substance Abuse Prevention and Treatment Block Grant. This section is effective July 1, 2021. *(Lines 417-424 of HHS budget bill spreadsheet)*

## Appropriation for Overpayments for Medication-Assisted Treatment Services

The legislature appropriated $28,873,000 in fiscal year 2021 from the general fund to DHS to settle the overpayments owed by the Leech Lake Band of Ojibwe and the White Earth Band of Chippewa for medication-assisted treatment services between fiscal year 2014 and fiscal year 2019. The amount for the Leech Lake Band of Ojibwe is $14,666,000 and the amount for the White Earth Band of Chippewa is $14,207,000. This is a onetime appropriation. This section is effective June 30, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 16, Section 23)*

## Appropriation for Reimbursement for Institutions for Mental Disease Payments

The legislature appropriated $8,328,000 in fiscal year 2021 from the general fund to DHS to reimburse counties for the amount of the statewide county share of costs for which federal funds were claimed, but were not

eligible for federal funding for substance use disorder services provided in institutions for mental disease, for claims paid between January 1, 2014, and June 30, 2019. DHS is required to allocate this appropriation between the counties based on the amount that is owed by each county. Prior to a county receiving reimbursement, the county must pay in full any unpaid behavioral health fund invoiced county share. This is a onetime appropriation. This section is effective June 30, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 16, Section 24)*

# Mental Health Related Legislative Changes

## Mental Health Workforce Expansion

The legislature expanded the definition of "mental health practitioner" to include a student who is completing a practicum or internship as part of a formal undergraduate or graduate social work, psychology, or counseling program. This section is effective July 1, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 1)*

The legislature also expanded services eligible for children's mental health grant funding to include, as part of mental health services for people from cultural and ethnic minorities, supervision of clinical trainees who are Black, indigenous, or people of color. This section is effective July 1, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 6)*

## Culturally Informed and Culturally Responsive Mental Health Task Force

The legislature established a Culturally Informed and Culturally Responsive Mental Health Task Force to make recommendations to the legislature on improving the provision of culturally informed and culturally responsive mental health services throughout Minnesota. The task force must make recommendations on:

- Recruiting mental health providers from diverse racial and ethnic communities;
- Training all mental health providers on cultural competency and cultural humility;
- Assessing the extent to which mental health provider organizations embrace diversity and demonstrate proficiency in culturally competent mental health treatment and services; and
- Increasing the number of mental health organizations owned, managed, or led by individuals who are Black, indigenous, or people of color.

The task force consists of 16 members and appointments to the task force must be made by June 1, 2022. Task force members must elect two co-chairs no earlier than July 1, 2022 and the co-chairs must convene the first meeting of the task force no later than August 15, 2022. The task force must submit a written report to the legislature by January 1, 2023 and by January 1 each year thereafter until the task force expires on January 1, 2025. The legislation also lists membership, compensation, and reimbursement requirements. This section is effective July 1, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 8)*

## Pathway for Children to Enter Residential Treatment Outside of the Foster Care System

The legislature created a pathway for children to access residential mental health treatment outside of the foster care system and Chapter 260D, which allows children to be voluntarily placed in foster care for the purposes of treatment. Various changes were made to the Children's Mental Health Act to update requirements related to placing children in residential treatment voluntarily.

The legislation made updates to individual treatment plan requirements to remove cross-references to Chapter 260C in Minnesota Statutes, section 245.4876. This change is effective September 30, 2021 and expires July 1, 2022. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 2)*

The legislation removes cross-references to the review process for children in residential treatment in Chapters 260C and 260D in Minnesota Statutes, section 245.4882 and instead requires a child's length of stay in residential treatment to be reviewed every 90 days. This provision is effective September 30, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 3)*

The legislation requires discharge planning for a child to return to the community to include identification of and referrals to home and community supports that meet the needs of the child and the family. Discharge planning must begin within 30 days after a child enters residential treatment and be updated every 60 days. These requirements are effective September 30, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 4)*

The legislation makes clarifying changes and specifies that the county board, rather than the responsible social services agency, will determine the appropriate level of care for a child when county funds are used to pay for the child's residential treatment. The legislation deletes references to treatment foster care settings and functional assessments as well as removing references to the "responsible social services agency" in Minnesota Statutes, section 245.4885. The legislation requires the child and the child's family to be invited to any meeting where the level of care determination is discussed and decisions regarding residential treatment are made. The child and the child's family may invite other relatives, friends, or advocates to attend these meetings. Finally, the legislation requires the level of care determination, placement decision, and service recommendations to be made available to the child's family, as appropriate. These changes are effective September 30, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 5)*

The legislation repeals the definition of "responsible social services agency" definition in the Children's Mental Health Act. This change is effective September 30, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 49, paragraph b)*

The legislature appropriated $1,964,000 in fiscal year 2022 and $1,979,000 in fiscal year 2023 to reimburse counties and Tribal governments for a portion of the costs of treatment in children's residential facilities. The legislation requires DHS to distribute the appropriation on an annual basis to counties and Tribal governments proportionally based on a methodology developed by the commissioner. These provisions are effective September 30, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 16, Section 2, subdivision 32, paragraph a)*

### Children's Mental Health Residential Treatment Work Group

The legislature directed DHS, in consultation with counties, children's mental health residential providers, and children's mental health advocates, to organize a work group and develop recommendations on how to efficiently and effectively fund room and board costs for children's mental health residential treatment under the children's mental health act. The legislation specifies that the work group may also provide recommendations on how to address systemic barriers in transitioning children into the community and community-based treatment options. DHS must submit a report to the legislature with recommendations by February 15, 2022. This section is effective July 1, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 34)*

## Mental Health Crisis Stabilization Services Rate Modification

The legislature required the commissioner to establish a statewide per diem rate for residential crisis stabilization services provided to medical assistance enrollees for settings that serve no more than four adult residents (those that operate under an adult foster care license). The legislation specifies that the rate for a provider must not exceed the rate charged by that provider for the same service to other payers and that payment must not be made to more than one entity for each individual for residential crisis services provided on a given day.

DHS is required to set rates prospectively for the annual rate period and recalculate the statewide per diem every year. DHS must require providers to submit annual cost reports on a uniform cost reporting form and use submitted cost reports to inform the rate-setting process. This section is effective January 1, 2022 or upon federal approval, whichever is later. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 16)*

## Intensive Treatment in Foster Care (ITFC) Modifications

The legislature modified Intensive Treatment in Foster Care (ITFC) to add individual treatment plan development to the list of MA-reimbursable services for ITFC providers. This section is effective July 1, 2021 or upon federal approval, whichever is later. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 27)*

The legislature amended service delivery payment requirements for ITFC to authorize temporary reduction of weekly service units for no more than 60 days if the provider and family agree, in order to meet the needs of the client and family. The reasons for the reduction must be identified, documented, and included in the treatment plan. The legislature also added language to clarify that billing and payment are prohibited for days on which no services are delivered or documented.

The legislature requires psychotherapy, crisis planning, or individual, family, or group psychoeducation services to be provided in order for a provider to receive the daily per-client encounter rate. Clinical care consultation and individual treatment plan development may be included as part of the daily per-client encounter rate. This section is effective July 1, 2021 or upon federal approval, whichever is later. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 28)*

## Intensive Rehabilitative Mental Health Services (IRMHS) Modifications

The legislature expanded the age range eligibility for intensive nonresidential rehabilitative mental health services (IRMHS) from 16-20 years old to 8 to 26 years old. The legislature also expanded eligibility criteria to include individuals who are likely to need services from the adult mental health system during adulthood instead of individuals needing services within the next two years. This section is effective July 1, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Sections 29 and 30)*

The legislature requires treatment teams to have specialized training in providing services to the specific age group of youth that the team serves. It also clarifies that an individual treatment team must serve youth who are at least eight years of age or older and under 16 years of age, or at least 14 years of age or older and under 26 years of age. This section is effective July 1, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Sections 31)*

## Adult Mental Health Initiatives (AMHI) Reform; Report on Funding Formula

The legislature required DHS to provide a report on the funding formula to reform adult mental health initiatives (AMHIs) by February 1, 2022 and prior to the implementation of a new funding formula. In developing the funding formula the commissioner must consult with stakeholders, including adult mental health initiatives, counties, Tribal nations, adult mental health providers, and individuals with lived experiences. The report must include background information, the underlying rationale and methodology for the new formula, and stakeholder feedback. This section is effective July 1, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 33)*

## First Episode of Psychosis Grant Program; Authorized Uses of Grant Funds

The legislature clarified that first episode of psychosis grant program funds, awarded pursuant to Minnesota Statutes, section 245.4889, subdivision 1, paragraph (b), clause (15), may be used to:

- Provide intensive treatment and support for adolescents and adults experiencing or at risk of experiencing a first psychotic episode. Intensive treatment and support includes medication management, psychoeducation for an individual and an individual's family, case management, employment support, education support, cognitive behavioral approaches, social skills training, peer support, crisis planning, and stress management. Projects must use all available funding streams.
- Conduct outreach and provide training and guidance to mental health and health care professionals, including postsecondary health clinics, on early psychosis symptoms, screening tools, and best practices.
- Ensure access for individuals to first psychotic episode services under this section, including ensuring access to first psychotic episode services for individuals who live in rural areas.
- Pay for housing or travel expenses or to address other barriers preventing individuals and their families from participating in first psychotic episode services.

This section is effective July 1, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 35)*

## Mental Health Grant Programs Statute Revision

The legislature directed DHS to prepare legislation for the 2022 legislative session to enact as statutes the grant programs authorized and funded under Minnesota Statutes, section 245.4661, subdivision 9. The draft statutes shall at least include the eligibility criteria, target populations, authorized uses of grant funds, and outcome measures for each grant. DHS must work in coordination with the Office of Senate Counsel, Research, and Fiscal Analysis, the Office of the House Research Department, and the revisor of statutes, and must provide a courtesy copy of the proposed legislation to the chairs and ranking minority members of the legislative committees with jurisdiction over mental health grants. This section is effective June 30, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 36)*

## Adult Mental Health Initiative (AMHI) Grants

The legislature appropriated additional funding of $1.75 million in FY 2022, $1.75 in FY 2023, and $1.75 million in FY 2024 for adult mental health initiative (AMHI) grants. These grants provide funding to groups of counties and tribes for regional collaboration to build community-based mental health service infrastructure that responds to the unique needs and circumstances of their community. *(Lines 554-558 of HHS budget bill spreadsheet)*

## Mental Health Uniform Service Standards (USS)

The legislature appropriated $241,000 in FY 2022, $257,000 in FY 2023, $257,000 in FY 2024, and $174,000 in FY 2025 for Mental Health Uniform Service Standards (USS). *(Lines 450-456 of HHS budget bill spreadsheet)* USS is a multi-phase reform and simplification of the regulations and service standards for Minnesota's mental health care system. Legislation that included statutory language related to this proposal was included in the HHS Policy Bill passed by the legislature during regular session in 2021. This initiative aligns common standards to reduce administrative burden, refocuses the standards on supporting quality and equitable services, and establishes a unified licensing framework to build accountability where it matters. This is a system wide improvement effort, but has a particular focus on the barriers facing children of color and Native Americans. *(MN Laws 2021, Regular Session, Chapter 30, Articles 15-17)*

## Case Management Redesign

The legislature appropriated $476,000 in FY 2022 and $136,000 in FY 2023 for Case Management Redesign Initial Reform. This provides administrative costs necessary for the state to establish a statewide rate methodology for rates paid to county case management subcontractors, the development of comprehensive case management redesign, and the development of a tribal-specific Targeted Case Management benefit. These sections are effective July 1, 2021. *(MN Laws 2021, 1st Special Session, Chapter 7, Article 11, sections 17, 24-26, 49-paragraph a; Lines 430-434 of HHS budget bill spreadsheet)*

## Federal Community Mental Health Services Block Grant Allocation

The legislature directed DHS to allocate $7,511,000 in fiscal year 2022, $0 in fiscal year 2023, $1,000,000 in fiscal year 2024, and $1,000,000 in fiscal year 2025 from the community mental health services block grant amount in the federal fund for items proposed by the commissioner to the federal Substance Abuse and Mental Health

Services Administration (SAMHSA) in the spending plan submitted on April 3, 2021, and approved on June 11, 2021. The commissioner may modify the proposed spending plan if necessary to comply with federal requirements. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 42)*

# Substance Use Disorder (SUD) Related Legislative Changes

## Modifications to SUD Rate Add-ons and Rate Increase

The legislature amended the definition of "culturally specific program" in Minnesota Statutes, section 254B.01, subdivision 4a by expanding it to include culturally responsive programs. The change requires attestation that program requirements are satisfied and adds requirements that must be met for a program to qualify under the definition, including that a program is compliant with the national standards for culturally and linguistically appropriate services or other equivalent standards, as determined by the commissioner. It also requires that programs:

- Are designed to address the unique needs of individuals who share a common language, racial, ethnic, or social background
- Are governed with significant input from individuals of that specific background
- Employ individuals to provide treatment services, at least 50 percent of whom are members of the specific community being served

These changes are effective January 1, 2022 or upon federal approval, whichever is later. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 9)*

The legislature added a definition of "disability responsive program" to Minnesota Statutes, section 254B.01 by adding subdivision 4b. A disability responsive program is defined as a program that:

- Is designed to serve individuals with disabilities, including individuals with traumatic brain injuries, developmental disabilities, cognitive disabilities, and physical disabilities
- Employs individuals to provide treatment services who have the necessary professional training, as approved by the commissioner, to serve individuals with the specific disabilities that the program is designed to serve

This change is effective January 1, 2022 or upon federal approval, whichever is later. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 10)*

The legislature made conforming changes to Minnesota Statutes, section 254B.05, subdivision 5, paragraph c to align with the updated definitions of "culturally specific program" and "disability responsive program" in Minnesota Statutes, Section 254B.01, subdivisions 4a and 4b. The legislation removes language in statute that allows a higher rate for programs or subprograms serving special populations as that is replaced with the new definition of "disability responsive program". These changes are effective January 1, 2022, or upon federal approval, whichever is later. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 11)*

The legislature provided for a 5% rate increase over current payment rates for programs that:

- Serve parents with their children as defined in section 254B.05, subdivision 5, paragraph c, clause (1)
- Are culturally specific or culturally responsive programs as defined in section 254B.01, subdivision 4a
- Are disability responsive programs as defined in section 254B.01, subdivision 4b

These changes are effective January 1, 2022 or upon federal approval, whichever is later. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 12)*

## Modifying Billable Hours for Outpatient SUD Treatment

The legislature specified that payment for outpatient substance use disorder services that are licensed according to Minnesota Statutes, sections 245G.01 to 245G.17 are limited to six hours per day or 30 hours per week, unless prior authorization of a greater number of hours is obtained from DHS. This section is effective January 1, 2022 or upon federal approval, whichever is later. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 11)*

## SUD Community of Practice

The legislature established a substance use disorder (SUD) community of practice to improve treatment outcomes for individuals with substance use disorders and reduce disparities by using evidence-based and best practices through peer-to-peer and person-to-provider sharing. The legislation specifies that the community of practice must:

- Identify gaps in substance use disorder treatment services
- Enhance collective knowledge of issues related to substance use disorder
- Understand evidence-based practices, best practices, and promising approaches to address substance use disorder
- Use knowledge gathered through the community of practice to develop strategic plans to improve outcomes for individuals who participate in substance use disorder treatment and related services in Minnesota
- Increase knowledge about the challenges and opportunities learned by implementing strategies; and
- Develop capacity for community advocacy

The legislation specifies the required participants and requires the community of practice to meet regularly and hold the first meeting before January 1, 2022. Participants will be compensated and reimbursed for expenses in accordance with statute on advisory councils and committees in Minnesota Statutes, section 15.059, subdivision 3. DHS, in collaboration with subject matter experts and other participants, may issue reports and recommendations to the legislature. This section is effective July 1, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 13)*

## Sober Housing Program Recommendations

The legislature directed DHS, in consultation with stakeholders, to develop recommendations on:

- Increasing access to sober housing programs

- Promoting person-centered practices and cultural responsiveness in sober housing programs
- Potential oversight of sober housing programs
- Providing consumer protections for individuals in sober housing programs with substance use disorders and individuals with co-occurring mental illnesses

Stakeholders include, but are not limited to, the Minnesota Association of Sober Homes (MASH); the Minnesota Association of Resources for Recovery and Chemical Health (MARRCH); Minnesota Recovery Connection; NAMI Minnesota; the National Alliance of Recovery Residencies (NARR); Oxford Houses, Inc.; sober housing programs based in Minnesota that are not members of the Minnesota Association of Sober Homes; a member of Alcoholics Anonymous; and residents and former residents of sober housing programs based in Minnesota. Stakeholders must equitably represent geographic areas of the state and must include individuals in recovery and providers representing Black, Indigenous, people of color, or immigrant communities.

The commissioner must complete and submit a report with recommendations to the legislature by September 1, 2022. This section is effective July 1, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 37)*

## Substance Use Disorder (SUD) Treatment Paperwork Reduction

The legislature directed DHS to develop, assess, and recommend systems improvements to minimize regulatory paperwork and improve systems for substance use disorder programs licensed under Minnesota Statutes, chapter 245A, and regulated under Minnesota Statutes, chapters 245F and 245G, and Minnesota Rules, chapters 2960 and 9530. DHS must consult with relevant stakeholders, including counties, tribes, managed care organizations, and substance use disorder treatment professional associations, in the assessment.

The legislation requires DHS to make available any resources needed from other divisions within the department to implement systems improvements, the commissioner of health to make needed information available and resources from the Division of Health Policy, and MN.IT to provide advance consultation and implementation of the changes needed in data systems.

DHS is required to contract with a vendor that has experience with developing statewide system changes for multiple states at the payer and provider levels. DHS and the contracted vendor must follow the recommendations from the report issued in response to Laws 2019, First Special Session chapter 9, article 6, section 76 (Substance Use Disorder Treatment Program Systems Improvement). When developing recommendations, the commissioner shall consider input from all stakeholders. Recommendations must maximize benefits for clients and utility for providers, regulatory agencies, and payers.

By December 15, 2022 DHS must take steps to implement paperwork reductions and systems improvements within DHS' authority and submit a report to the legislature that includes recommendations for changes in statutes that would further enhance systems improvements to reduce paperwork. The report must include a summary of the approaches developed and assessed by DHS and stakeholders and the results of any assessments conducted. This section is effective July 1, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 38)*

## Substance Use Disorder (SUD) Treatment Pathfinder Companion Pilot Project

The legislature established a one-year pilot project, beginning September 1, 2021, to monitor and evaluate the effects on treatment outcomes of using the Pathfinder Companion and Pathfinder Bridge applications in order to determine whether the addition of digital recovery support services alongside traditional methods of recovery treatment improves treatment outcomes. The Pathfinder Companion is a telephone-based application that allows individuals in recovery to connect with peers, resources, providers, and others helping with recovery after an individual is discharged from treatment. The computer-based Pathfinder Bridge is a computer-based application that allows SUD providers to prioritize care, connect directly with patients, and monitor long-term outcomes and recovery effectiveness.

Anoka County and an academic institution acting as a research partner, in consultation with the North Metro Mental Health Roundtable, must conduct the pilot project. Prior to launching the program, Anoka County must secure the participation of an academic research institution as a research partner and the project must receive approval from the institution's institutional review board. The participating research partner must design and conduct the program evaluation.

Anoka County and the participating research partner, in consultation with the North Metro Mental Health Roundtable, must report on the results of the project to DHS and the legislature by January 15, 2023. This section is effective July 1, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 41)*

The legislature directed DHS to allocate $550,000 in fiscal year 2022 from the substance abuse prevention and treatment block grant amount in the federal fund for a grant to Anoka County to conduct a substance use disorder treatment pathfinder companion pilot project. Of the allocation, $200,000 is for licensed use of the pathfinder companion application for individuals participating in the pilot project and up to $50,000 is for licensed use of the pathfinder bridge application for providers participating in the pilot project. This is a onetime allocation and is available until January 15, 2023. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 45)*

## Problem Gambling; Funding for Northstar Problem Gambling Alliance

The legislature appropriated $225,000 in fiscal year 2022 and $225,000 in fiscal year 2023 from the lottery prize fund for a grant to the state affiliate recognized by the National Council on Problem Gambling. The affiliate, Northstar Problem Gambling Alliance, must provide services to increase public awareness of problem gambling, education, training for individuals and organizations providing effective treatment services to problem gamblers and their families, and research related to problem gambling. This provision is effective July 1, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 16, Section 2, subdivision 33, paragraph a)*

## Recovery Community Organization Grants

The legislature appropriated $2,000,000 in fiscal year 2022, $2,000,000 in fiscal year 2023, and $2,000,000 in fiscal year 2024 for grants to recovery community organizations, as defined in Minnesota Statutes, section 254B.01, subdivision 8. The grants are to provide for costs and community-based peer recovery support services that are not otherwise eligible for reimbursement under Minnesota Statutes, section 254B.05, as part of the

continuum of care for substance use disorders. This provision is effective July 1, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 16, Section 2, subdivision 33, paragraph b)*

### Alternative Licensing Inspections; Substance Use Disorder (SUD) Treatment Providers

The legislature established an alternative licensing inspection for SUD treatment providers who are accredited by the joint commission and licensed under Minnesota Statutes, chapter 245G. This allows a license holder for a substance use disorder treatment facility who holds a qualifying accreditation to request approval for an alternative licensing inspection when the standards of the accrediting body are determined by the commissioner to be the same as or similar to the standards under chapter 245G. This section is effective January 1, 2022. *(MN Laws 2021, First Special Session, Chapter 7, Article 2, Section 68)*

### Federal Substance Abuse Prevention and Treatment Block Grant Allocation

The legislature required DHS to allocate $10,767,000 in fiscal year 2022 from the substance abuse prevention and treatment block grant amount in the federal fund for items proposed by the commissioner to the federal Substance Abuse and Mental Health Services Administration in the spending plan submitted on April 3, 2021, and approved on June 11, 2021. The commissioner may modify the proposed spending plan if necessary to comply with federal requirements. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 47)*

## 1115 Substance Use Disorder (SUD) Reform Demonstration Modifications

The 2021 Legislature made important investments in the 1115 Demonstration to ensure the success of SUD system reform, including:

- Requiring mandatory enrollment for residential, including out of state, substance use disorder providers and withdrawal management providers
- Increasing the current payment rate enhancement by 10%
- Clarifying the base pay rate for medium intensity residential program participation
- Requiring public posting of data and outcome measures
- Requiring DHS to seek federal approval for demonstration project extension and federal financial participation
- Requiring DHS to convene a demonstration project evaluation work group

### SUD Provider Participation in Demonstration Project

Residential treatment programs licensed by the Department of Human Services (DHS) in accordance with Minnesota Statutes, section 245G.21 and that receive payment through Medical Assistance must enroll as a demonstration provider and meet provider standards requirements by January 1, 2024. This requirement also applies to out of state residential substance use disorder treatment programs that receive payment through Medical Assistance. Withdrawal management programs licensed by DHS in accordance with Minnesota Statutes, Chapter 245F and that receive payment through Medical Assistance must also enroll as a demonstration provider and meet provider standards requirements by January 1, 2024.

If these programs do not enroll as demonstration providers and meet provider standards requirements under Minnesota Statutes, section 256B.0759, subdivision 3 by January 1, 2024, they will be ineligible for payment through the Medical Assistance program. These provisions are effective July 1, 2021 or upon federal approval, whichever is later. *[Minnesota Laws 2021, First Special Session, Chapter 7, Article 11, Section 18, paragraphs b, c and d]*

Outpatient substance use disorder treatment providers and Tribally licensed programs may elect to participate in the demonstration project, but are not required to. DHS must consult with Tribal nations to discuss participation in the demonstration project. *[Minnesota Laws 2021, First Special Session, Chapter 7, Article 11, Section 18, paragraph e]*

The legislation clarifies that providers enrolled in the demonstration project before July 1, 2021 are eligible to receive rate enhancements under Minnesota Statutes, section 256B.0759, subdivision 4 for services provided on or after July 22, 2020 for fee-for-service enrollees and on or after January 1, 2021 for managed care enrollees if the following requirements are met:

- The provider attests that during the time period for which the provider is seeking the rate enhancement, the provider took meaningful steps in their plan approved by the commissioner to meet the demonstration project requirements under Minnesota Statutes, section 256B.0759, subdivision 3; and
- The provider submits attestation and evidence, including all information requested by the commissioner, of meeting the requirements of Minnesota Statutes, section 256B.0759, subdivision 3 to the commissioner in a format required by the commissioner.

If a provider who was enrolled in the demonstration project before July 1, 2021 does not meet these requirements by July 1, 2021, DHS may recoup any rate enhancements that were paid. These provisions are effective June 30, 2021. *[Minnesota Laws 2021, First Special Session, Chapter 7, Article 11, Section 18, paragraph f]*

## Payment Rate Enhancement Clarifications and Modifications

Providers that have enrolled in the demonstration project, but who have not met the provider standards under Minnesota Statutes, section 256B.0759, subdivision 3 by July 1, 2022 are not eligible for a rate increase until the date that the provider meets the provider standards. Services provided from July 1, 2022 to the date that the provider meets the provider standards must be reimbursed at regular substance use disorder treatment program rates under Minnesota Statutes, section 254B.05, subdivision 5, paragraph (b).

Rate increases paid under this subdivision to a provider for services provided between July 1, 2021 and July 1, 2022 are not subject to recoupment when the provider is taking meaningful steps to meet demonstration project requirements that are not otherwise required by law, and the provider provides documentation to the commissioner, upon request, of the steps being taken. This provision is effective July 1, 2021, or upon federal approval, whichever occurs later. *[Minnesota Laws 2021, First Special Session, Chapter 7, Article 11, Section 19, paragraph a]*

DHS may temporarily suspend payments to a provider according to Minnesota Statutes, section 256B.04, subdivision 21, paragraph (d) if the provider does not meet the above requirements. Payments that are

withheld from the provider must be made once DHS determines requirements have been met. DHS' decision to suspend a provider is not subject to an administrative appeal. This provision is effective July 1, 2021 or upon federal approval, whichever occurs later. *[Minnesota Laws 2021, First Special Session, Chapter 7, Article 11, Section 19, paragraph b]*

The legislation authorizes rate increases for services provided under the demonstration project by ten percent. The rate enhancement for outpatient treatment services, medication-assisted therapy, and adolescent treatment programs increases from 10% to 20%. The rate enhancement for residential treatment services increases from 15% to 25%. The increases are effective January 1, 2022 or upon federal approval, whichever is later. *[Minnesota Laws 2021, First Special Session, Chapter 7, Article 11, Section 19, paragraphs c and d]*

## Medium Intensity Residential Program Participation

The legislation specifies that medium intensity residential programs that participate in the demonstration project must use the base payment rate of $132.90 per day. It also specifies that these programs are eligible for rate enhancements under Minnesota Statutes, section 256B.0759, subdivision 4. This provision is effective retroactively from July 1, 2020. *[Minnesota Laws 2021, First Special Session, Chapter 7, Article 11, Section 20]*

## Public Posting of Data and Outcomes Measures

DHS must post final documentation on the DHS website within 30 calendar days of approval by the Center for Medicare and Medicaid Services (CMS). Final documents may include monitoring reports, close out reports, approved evaluation designs, interim evaluation reports, and summative evaluation reports. This section is effective July 1, 2021. *[Minnesota Laws 2021, First Special Session, Chapter 7, Article 11, Section 21]*

## Demonstration Project Extension

DHS must seek federal approval for a five-year extension of the demonstration project and to receive enhanced federal financial participation. This section is effective July 1, 2021. *[Minnesota Laws 2021, First Special Session, Chapter 7, Article 11, Section 22]*

## Demonstration Project Evaluation Work Group

Beginning October 1, 2021 DHS must assemble a work group of relevant stakeholders to meet for the duration of the demonstration to evaluate the long-term sustainability of any improvements to quality or access to SUD treatment caused by participation in the demonstration project. The workgroup must also determine how to implement successful outcomes of the demonstration once the project expires. Stakeholders must include, but are not limited to, demonstration project participants and the Minnesota Association of Resources for Recovery and Chemical Health (MARRCH). The work group must meet quarterly for the duration of the demonstration. This section is effective July 1, 2021. *[Minnesota Laws 2021, First Special Session, Chapter 7, Article 11, Section 23]*

# Opioid Related Legislative Changes

## Rate Recommendations for Opioid Treatment Programs

The legislature directed DHS to evaluate the rate structure for opioid treatment programs licensed under Minnesota Statutes, section 245G.22 and report recommendations, including a revised rate structure and proposed draft legislation, to the legislature by December 1, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 32)*

## Opiate Epidemic Response Grants

The legislature required DHS to allocate $2,700,000 in fiscal year 2022 and $2,700,000 in fiscal year 2023 from the substance abuse prevention and treatment block grant amount in the federal fund for grants to be awarded according to the recommendations of the Opiate Epidemic Response Advisory Council under Minnesota Statutes, section 256.042. DHS must include information on the grants awarded under this section in the annual report under Minnesota Statutes, section 256.042, subdivision 5, paragraph (a). *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 46)*

## Opiate Epidemic Response Advisory Council (OERAC) Grant Reporting and Membership Modifications

The legislature modified the submission date for the report on the Opiate Epidemic Response Advisory Council's proposed grants from the upcoming fiscal year to the upcoming calendar year and modified the report due date from March 1 to December 1 of each year. The legislation clarifies that the advisory council must determine grant awards and funding amounts based on the opiate epidemic response funds appropriated to the commissioner under Minnesota Statutes, section 256.043, subdivision 3, paragraph (e). DHS must award grants from the opiate epidemic response fund and administer the grants in compliance with Minnesota Statutes, section 16B.97. Additionally, the legislature increased the allowable grant amount percentage for administration from three to ten percent. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 14)*

The legislature stipulated that grant funds specified by the Opiate Epidemic Response Advisory Council and funds for county and tribal social services agencies from the opiate epidemic response fund will be distributed on a calendar year basis beginning in fiscal year 2022 and for each year thereafter. This provision is effective July 1, 2021. The legislature also deleted references to appropriations to DHS for grants for Project ECHO, opioid overdose prevention grants, and traditional healing grants in Minnesota Statutes, section 256.043, subdivision 3 effective July 1, 2024. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 15)*

The legislature specified initial membership terms for the Opiate Epidemic Response Advisory Council established under Minnesota Statutes, section 256.042, subdivision 2. The initial terms for members identified in Minnesota Statutes, section 256.042, subdivision 2, paragraph (a), clauses (1), (3), (5), (7), (9), (11), (13), (15), and (17), ends September 30, 2022. The initial term for members identified under Minnesota Statutes, section 256.042, subdivision 2, paragraph (a), clauses (2), (4), (6), (8), (10), (12), (14), and (16), ends September 30, 2023. *(MN Laws 2021, First Special Session, Chapter 7, Article 11, Section 48)*

### Opiate Epidemic Response Fund and Settlement; Sunset Provision Modification

The legislature amended Minnesota Statutes, section 256.043, subdivision 4 to provide that any funds received by the state as a result of a settlement against a consulting firm working for an opioid manufacturer or wholesaler shall be counted towards the $250 million amount that triggers the sunset of the opiate licensing fees and the opiate registration fee. This change was made by removing language that applied the provision only to settlements against manufacturers and wholesalers. This section is effective June 30, 2021. *(MN Laws 2021, First Special Session, Chapter 7, Article 5, Section 4)*

### Grants for Project ECHO

The legislature directed DHS to not award the $200,000 grant to CHI St. Gabriel's Health Family Medical Center in fiscal years 2022, 2023, and 2024, and instead issue a competitive request for proposals for another opioid-focused Project ECHO program for the $200,000 grant in fiscal years 2022, 2023, and 2024. This legislation is notwithstanding Laws 2019, chapter 63, article 3, section 1, paragraph (f). This section expires June 30, 2024. *(MN Laws 2021, First Special Session, Chapter 7, Article 16, Section 14)*

## Provision in the Education Budget Bill

### Report on Behavioral Health Services Reimbursement

The legislature directed DHS and the Department of Education to consult with stakeholders to identify strategies to streamline access and reimbursement for behavioral health services for children with an individualized education program or an individualized family service plan who are enrolled in Medical Assistance and, whenever possible, avoid duplication of services and procedures. The agencies must identify strategies to reduce administrative burden for schools while ensuring continuity of care for students accessing services when not in school and must review models in other states. The commissioners must provide an update to the legislature, including any recommendations for statutory changes, by November 1, 2021. This section is effective July 1, 2021. *(MN Laws 2021, First Special Session, Chapter 13, Article 5, Section 2)*

## HCBS FMAP Funded Proposals

This section provides a brief summary of items proposed to be funded through the Home and Community Based Services (HCBS) enhanced federal match dollars in order to enhance, expand, and strengthen Minnesota's Medicaid HCBS system. These provisions are effective upon federal approval of Minnesota's proposed spending plan as described in guidance issued by CMS for implementation of section 9817 of the federal American Rescue Plan Act of 2021.

### Transition to Community Initiative; Helping People Move from Provider-Controlled Settings

This provision provides administrative funding to assist people to move from facilities or provider-controlled settings to a home of their own. This proposal will help people to exit Anoka-Metro Regional Treatment Center (AMRTC), community mental health psychiatric units, and Community Behavioral Health Hospitals (CBHHs) for

people who are on the Forensic Mental Health Program (FMHP) or AMRTC waiting lists. It will also assist people receiving disability waiver services living in provider-controlled settings, for example corporate foster care and customized living, to move to a home of their own. Expands the Whatever It Takes (WIT) services to include the Community Mental Health Psychiatric Units around the state and the CBHHs for patients who are on the FMHP or AMRTC waiting lists to divert them from having to be admitted to our state hospital systems.

DHS is required to establish the transition to community initiative to award grants to serve individuals for whom supports and services not covered by MA would allow them to live in the least restrictive setting and as independently as possible, build or maintain relationships with family and friends, and participate in community life. Grantees are required to use a person-centered planning process and informed choice decision making. All grant activities must be completed by March 31, 2024.

Funded at a state cost of $11.879 million in SFY 2022-2023 and $4.475 million in SFY 2024. *(MN Laws 2021, 1st Special Session, Chapter 7, Article 17, section 1 and 6)*

## Mobile PRTF and CABHS Transition Unit

The legislature allocated funding to create a Mobile Person-Centered Unit to facilitate effective transition of children from Psychiatric Residential Treatment Families (PRTFs) and Child & Adolescent Behavioral Health Services (CABHS). DHS will contract with providers to create the transition unit with the following broad functions:

- Family empowerment and participation in transition planning through Family Peer Specialists
- Transition case managers to work with youth's treatment team and other members of the support network to facilitate development of an outcome-oriented transition plan
- Vocations skills coordinator: focus on hands-on learning while offering opportunity and exposure to a variety of skills within a career-focused environment
- Basic needs coordinator: Connect families with Housing, Food, Health Care

This provision has a March 31, 2024 expiration date; counties are allowed to fund and continue conducting activities funded under this section beginning April 1, 2024. Funded at a state cost of $5 million in SFY 2022-2023 and $1.875 million in SFY 2024. *(MN Laws 2021, 1st Special Session, Chapter 7, Article 17, section 12)*

## MA Outpatient and Behavioral Health Services Rates Study

The legislature allocated administrative funding to study all outpatient and behavioral services rates and provide cost-based rate reform recommendations. The funding is for an analysis of the current rate-setting methodology for all outpatient services in MA and MinnesotaCare, including rates for behavioral health, substance use disorder, and residential substance use disorder treatment. By January 1, 2022 DHS is required to issue a request for proposals for frameworks and modeling of behavioral health services rates. Requires the commissioner to: (1) consult with providers; and (2) submit initial and final reports to the legislative committees with jurisdiction over human services policy and finance that includes legislative language necessary to modify existing or implement new rate methodologies and a detailed fiscal analysis. The preliminary report with initial results is due January 15, 2023 and a final report is due January 15, 2024.

Funded at a state cost of $667,000 in SFY 2022-2023 and $407,000 in SFY 2024. *(MN Laws 2021, 1st Special Session, Chapter 7, Article 17, section 18)*

## Safety Net Services Report

The legislature allocated administrative funding to conduct an assessment of state-operated direct care and treatment services to identify the extent to which the services function as safety net services, and to make recommendations on specific issues. DHS is required to submit a report to the legislature by October 15, 2023 on recommendations for crisis respite, caregiver respite for older adults, crisis stabilization, and community residential short- and long-term stay options. The report must identify sustainable rate reimbursement methodologies for recommended modifications to safety net services and include fiscal estimates and proposed legislation necessary to enact the report's recommendations.

Funded at a state cost of $277,000 in SFY 2022-2023. *(MN Laws 2021, 1st Special Session, Chapter 7, Article 12, section 2)*

## Reducing Reliance on Children's Congregate Care Settings

The legislature allocated administrative funding for DHS to conduct an analysis of the utilization and efficacy of current treatment options for children under Minnesota's Medicaid program to identify systemic obstacles in transitioning children into the community and community-based treatment. This analysis will help identify crucial points during a child's care where the system missed the opportunity to transition the child to family-focused, community care model from congregate setting. Given the advent of Family First Prevention Act, this analysis will aid in setting quality of care standards (beyond licensing) for Children's Residential Facilities. When conducting the analysis, DHS must collaborate with the Department of Health, the Department of Education, hospitals, children's treatment facilities, social workers, juvenile justice officials, and parents of children receiving care. DHS may also collaborate with children receiving care when conducting the analysis.

DHS is required to submit a report to the legislature by February 1, 2022 that identifies systemic obstacles in transitioning children into community-based options; identifies gaps in care for children with the most acute behavioral health treatment needs; and provides recommendations, including estimated costs, to develop infrastructure, eliminate system barriers, and enhance coordination to ensure children have access to behavioral health treatment services based on medical necessity and family and caregiver needs.

Funded at a state cost of $136,000 in SFY 2022-2023. *(MN Laws 2021, 1st Special Session, Chapter 7, Article 17, section 13)*

## Continuity of Care for Students with Behavioral Health and Disability Support Needs

The legislature allocated administrative funding for collaboration between DHS and the Department of Education (MDE) to identify strategies to streamline access and reimbursement for children with an Individualized Education Program (IEP) and who are enrolled in Medical Assistance (MA). DHS and MDE must consult with stakeholders to: (1) identify strategies to streamline access and reimbursement for behavioral health services for students who are enrolled in MA and have an individualized education program or

individualized family services plan; and (2) avoid duplication of services and procedures to the extent practicable. DHS and MDE must identify strategies to reduce administrative burdens for schools while ensuring continuity of care for students accessing services when not in school.

By January 15, 2022 DHS and MDE must report their findings to the legislative committees with jurisdiction over early learning education through grade 12 and health and human services policy and finance. Funded at a state cost of $48,000 in SFY 2022-2023. *(MN Laws 2021, 1st Special Session, Chapter 7, Article 17, section 9)*

## Supporting Underserved and Rural Provider Capacity

The legislature allocated funding for DHS to establish a temporary grant program for small provider organizations serving rural or underserved communities with limited provider capacity. Grants will assist in building organizational capacity to provide home and community based services in Minnesota and new or expanded infrastructure to access Medical Assistance reimbursement. DHS is required to conduct community engagement, provide technical assistance, and establish a collaborative learning community related to the grants and work with other commissioners to mitigate barriers in accessing grant funds.

Funding awarded for the community engagement activities are exempted from state solicitation requirements for activities that occur in fiscal year 2022. Grant activities must be completed by March 31, 2024. Funded at a state cost of $15.896 million in SFY 2022-2023 and $8.828 million in SFY 2024. *(MN Laws 2021, 1st Special Session, Chapter 7, Article 17, section 10)*

## Expanding Mobile Crisis Services

The legislature allocated funding to strengthen the state's mobile crisis infrastructure by providing one-time increases to support counties and tribes to staff 24-hour mobile crisis lines and increase capacity to take more calls. The funding is directed at grants for adult mobile crisis services. All grant activities to be completed by March 31, 2024; counties may fund and continue conducting activities funded under this section beginning April 1, 2024. Funded at a state cost of $16.429 million in SFY 2022-2023 and $4.117 million in SFY 2024. *(MN Laws 2021, 1st Special Session, Chapter 7, Article 17, section 11)*