DEPARTMENT OF HUMAN SERVICES

SUMMARY

Medicaid State Plan
Draft MN-26-0029

The Minnesota Department of Human Services proposed an amendment to the Medicaid State Plan related to the Hennepin County Mental Health Center. Effective July 1, 2026, state law authorizing a supplemental payment to the Hennepin County Mental Health Center was repealed. The repeal was a technical change with no federal budget impact. The amendment deletes all text related to this payment.

The Hennepin County Mental Health Center was recently certified as a Certified Community Behavioral Health Clinic which is paid at cost. The supplemental payment that was repealed authorized a rate supplement up to the clinic's Medicaid cost.

bb. Reserved. ~~Reimbursement for costs of services provided by a non-state, government-operated community mental health center~~

~~Qualified physician, EPSDT and occupational therapy services provided by a non-state, governmental operated community mental health center, on or after September 1, 2011, are reimbursed for the actual incurred costs of providing services to eligible Medicaid beneficiaries. The non-state, governmental operated community mental health center must certify its expenditures as eligible for federal financial participation in order to settle to actual incurred costs for Medicaid services provided in the non-state, governmental operated community mental health center. The CMS approved Medicaid cost report entitled "Hennepin County Mental Health Center Cost Report" is due from the non-state, governmental operated community mental health center twelve months after the end of the provider's fiscal year, hereinafter referred to as the calendar year. An initial settlement will be processed within six months of receiving an approved cost report. A final settlement will be processed within twelve months of receiving the approved cost report. For the last quarter of calendar year 2011, and the entire calendar years 2012 and 2013, the final settlement will be processed in the fourth quarter by February 1, 2012 of 2015. The payments will be paid to the non-state, governmental operated community mental health center in an amount based on the provider's reconciled costs for providing physician, EPSDT, and occupational therapy rehabilitative services to Medicaid recipients, less total payments for Medicaid covered services allowable elsewhere in Attachment 4.19-B, TPL payments, Medicare payments, and spenddown obligations. Reconciled costs will be calculated using CMS-approved cost reporting methods approved by the Department. The non-state, governmental operated community mental health center is required to comply with cost allocation principles found in OMB Circular A-87. For purposes of these payments, effective for services provided on or after September 1, 2011, costs shall be calculated as follows:~~

~~Costs will be calculated using the CMS-approved cost report on file with the Department for the cost report time period. The non-state, governmental operated community mental health center will submit the Hennepin County Mental Health Center cost report that is prepared in accordance with a cost reporting methodology developed by the office that complies with OMB Circular A-87. This cost report must be submitted to the office no later than the last day of the twelfth month following the provider's fiscal year end.~~
~~Payments will be the amounts calculated under Step Four of the following formula:~~

~~Step One: Determine the amount of the non-state, governmental operated community mental health center provider's charges for the eligible Medical Assistance procedure codes and Medical Assistance payment for claims for these codes incurred during the provider's fiscal year and adjudicated to a paid status through the MMIS.~~

bb. Reserved. ~~Reimbursement for costs of services provided by a non-state, government-operated community mental health center (cont'd)~~

~~Step Two: Determine the amount of the non-state, governmental operated community mental health center provider's reconciled costs for the provider's fiscal year for providing physician, EPSDT, occupational therapy rehabilitative services for Medical Assistance eligible persons. Cost for the provider's fiscal year will be calculated by multiplying the provider's charges for eligible CPT codes identified in Step One by the cost-to-charge ratio from the cost report on file with the Department corresponding to the fiscal year under consideration.~~

~~Step Three: Subtract the total Medicaid claims paid (including Medicare payments, spenddown obligations, and Third Party Liability) for the eligible procedure codes determined in Step One from the cost calculated in Step Two. If Medicaid reimbursement exceeds cost calculated in Step Two, an overpayment has been made. The Department will recover the overpayment in accordance with section 1903(d)(2) of the Social Security Act.~~

~~Step Four: If the amount calculated in Step Three is greater than zero, the provider will receive a payment equal to the amount calculated in Step Three multiplied by the Federal Medical Assistance Percentage (FMAP) rate for Minnesota in effect at the time of the payment.~~