DEPARTMENT OF HUMAN SERVICES

Substance Use Disorder (SUD) Treatment Services and Outpatient Billing Changes Frequently Asked Questions

Top 20 frequently asked questions about the 2026 SUD treatment services and outpatient billing changes. compiled and summarized from Thursday Connections with SUD at DHS meetings Chat Questions and Answers: June 18, July 10, July 16, and August 20, 2026.

Effective Date and Applicability FAQs

Q1. When did the SUD treatment services changes take effect?

A: The treatment services changes for all providers of SUD services became effective August 1, 2026, including the following changes:

- The additional treatment services in section 245G.07, subdivision 2, clauses (1) to (7) were repealed and peer recovery support services moved from clause (8) to subdivision 2a, paragraph (b).
- Recovery support was added to section 245G.07, subdivision 2a, paragraph (b), as an ancillary service.
- The requirements for each ASAM level of care in section 254B.19, subdivision 1, were revised to be specific to psychosocial services, which include counseling and psychoeducation treatment services.

Q2. When did the billing changes for providers of outpatient SUD services take effect?

A: The outpatient billing changes are effective for services provided on and after August 1, 2026, **for Medical Assistance (MA) and fee-for-service (FFS) billing**, for all providers of outpatient SUD services except CCBHCs (see Q3). The outpatient billing changes include new procedure codes that are 15-minute units, new rates for those codes, and the discontinuation of procedure codes H2035 and H2035 HQ. See the MHCP Provider Manual Substance Use Disorder (SUD) Services for more information.

Q3. When will the billing changes take effect for SUD services provided by CCBHCs?

A: The planned effective date for the billing changes for SUD services provided by CCBHCs is October 1, 2026. DHS sent CCBHCs separate guidance directly regarding this and will continue to provide updates. Providers that have CCBHC-specific questions should email mn_dhs_ccbhc@state.mn.us.

Q4. When will the new outpatient 15-minute procedure codes be effective for MCOs/PMAPs?

A: The specific implementation date is up to each individual MCO and they can choose to wait until CMS gives their official approval. Providers should contact the specific MCO to confirm its current billing procedure and which procedure codes should be used.

Treatment Services FAQs

General

Q5. Are the repealed "additional treatment services" (e.g., therapeutic recreation, stress management, living skills) now one of the new service types or are they no longer billable?

A: Some activities which fell under the additional treatment services category may meet the requirements of counseling, psychoeducation, or recovery support; however, it depends on the clinical intent and presentation of the specific service. Some activities will not meet the description of any type of treatment service and cannot be billed as a treatment service. Room and board is still a billable component of residential treatment; however, it is not a treatment service as described in section 245G.07.

Q6. How many clients can attend a group treatment service session?

A: Section 245G.10 subdivision 4, states counseling groups cannot exceed 16 clients total. That section also states it is the responsibility of the license holder to determine an acceptable group size based on each client's needs. In addition, the group staff ratio limit in section 254B.0505, subdivision 3, applies for psychoeducation and recovery support groups if the provider accepts public funding:

- The client to staff ratio shall not exceed a client to staff ratio of 48 to one;
- At least one of the attending staff must meet the qualifications for the type of treatment service provided; and
- A recovery peer may not be included as part of the staff ratio.

Q7. Can treatment program schedules be flexible? Can a group be different treatment service types depending on the situation?

A: A treatment services schedule can be flexible if needed based on the needs of the clients, such as providing a different treatment service than what is scheduled, extending one scheduled treatment service and shortening the next scheduled treatment service, or providing an individual service to a client in place of a scheduled group service.

Although the schedule can be changed if needed, the type of service for each group needs to be consistent with the program's policy. For example, if the treatment services policy identifies "Relapse Prevention Group" as counseling, that group cannot be changed to psychoeducation for one session. Chapter 245G requires programs to differentiate between treatment service types in policies, documentation, and treatment plans.

Q8. What are the requirements for documentation of treatment services? If both counseling and psychoeducation are provided in a group session, do they have to be documented separately?

A: The documentation requirements in section 245G.06, subdivision 2a, did not change and must be met for each treatment service provided. If a provider transitions from one type of treatment service to another type, even within a single session, the documentation requirements must be met for each treatment service type. If a counseling service and a psychoeducation service are documented on the same form, the documentation must clearly distinguish between them, including the amount of and client response to each specific service.

Counseling and Psychoeducation

Q9. What is the difference between counseling and psychoeducation? Does counseling include education?

A: Counseling and psychoeducation have different therapeutic intents and presentations and address different client needs. Counseling provides guidance and assistance using therapeutic interaction such as examining problems, discussion, individualized feedback, and emotional processing. Psychoeducation provides information to help clients understand and manage substance use and co-occurring conditions using educational approaches including structured presentations, didactic teaching, and practical exercises.

Although counseling and education were billed together previously, they have been described as separate services in Minnesota statutes and ASAM standards. See the Information on 2026 Changes (PDF) on the SUD Reform website for additional information on the difference between counseling and psychoeducation, including information from the treatment services descriptions in section 245G.07 and the LADC core functions in section 148F.01, subdivision 10

Q10. Is every client required to engage in psychoeducation? Do we have to offer both group and individual psychoeducation? Is a specific amount or ratio of psychoeducation versus counseling required?

A: Per section 245G.07, a licensed program must offer counseling and psychoeducation services to each client unless clinically inappropriate and the justifying clinical rationale is documented. Each client must receive a combined amount of "psychosocial services" (counseling and psychoeducation) as indicated in section 254B.19, subdivision 1, for the ASAM level of care provided. The specific amount and frequency of each treatment service type and whether the services are provided individually or in a group setting must be based on each client's needs and provided in accordance with the client's treatment plan.

Recovery Support

Q11. What is the new "recovery support" service?

A: Recovery support is an optional treatment service described in section 245G.07, subdivision 2a, paragraph (b). It may be provided if a client has a need for the service to restore daily living ability affected by substance use or develop skills and routines for successful community integration and stability. It can be provided either individually or in a group setting within a state or tribally licensed SUD treatment program. The specific amount and frequency and whether the service is provided individually or in a group setting must be based on each client's needs and provided according to the client's treatment plan. Not all clients will need recovery support, and once the skill or functioning has been restored, the service is no longer medically necessary.

Q12. Who can provide recovery support? If it can be provided by a licensed clinician, does it then count as part of the ASAM level of care hours?

A: Recovery support may be provided by someone who meets the qualifications for behavioral health practitioner in section 245G.11, subdivision 12. Recovery support does not count for the service requirements for each ASAM level of care in section 254B.19, subdivision 1, even if provided by a licensed professional. Those requirements are specific to psychosocial services, which are counseling and psychoeducation.

Q13. Are treatment programs required to provide recovery support services?

A: No, recovery support is an optional SUD treatment service.

Outpatient Procedure Codes FAQs

Commercial Insurance

Q14. Should providers bill commercial insurance plans with the old procedure codes or the new codes?

A: Commercial insurance plans set their own billing procedures, so providers must contact them directly.

Q15. How is secondary MA billed when commercial insurance is primary and doesn't take the new codes?

A: Please refer to the subsection "Billing Different Procedure Codes to MHCP" in the Medicare and Other Insurance section of the MHCP Provider Manual. Providers must use the new procedure codes when billing MA and FFS for services provided on and after August 1, 2026.

MA and FFS procedure codes

Q16. How are units for the new outpatient procedure codes calculated?

A: Each treatment service type has a separate procedure code. Each procedure code is billed in 15-minute units. The number of units of a procedure code for the day is determined by adding the number of minutes of the treatment service type the client received that day (based on the actual time the client attended, not counting any breaks or time that the client missed) to get a total number of minutes for the day and then determining the corresponding number of units. Multiple sessions of a treatment service type may be provided to a client in a day, but each procedure code can only be billed once for the day of service. See the MHCP Provider Manual Substance Use Disorder (SUD) Services "Billable Units and Time Requirement" section for more information.

Q17. Are there daily/weekly limits for outpatient SUD services?

A: Psychosocial services (counseling and psychoeducation) are limited to 6-hours-per-day and 30-hours-per-week without additional authorization. This limit applies for any combination of psychosocial service types, provided individually and in a group. Recovery support is limited to 4 hours per client per day, provided individually and in a group. See the MHCP Provider Manual Substance Use Disorder (SUD) Services for more information, including the authorization process to request more psychosocial hours.

Q18. Are there different codes for adolescent services or co-occurring services?

A: The base procedure codes for outpatient SUD services are the same for adults and adolescents and for enhanced rate services, such as co-occurring services. Specific modifiers may be added to some of the outpatient procedure codes to indicate adolescent services and enhanced rate services. See the Substance Use Disorder Service Rate Grid for more information.

Q19. Must outpatient providers bill counseling and psychoeducation separately, even within the same group?

A: Yes. Counseling and psychoeducation are distinct treatment services and must be billed separately using their own procedure codes, even when provided back-to-back in the same group session with no break.

Resources

Q20. Is there a point of contact to escalate payer and procedure-code payment problems?

A: Providers should direct billing questions and concerns to the payer first, including confirming the specific payer's current billing procedure and which procedure codes to use for the date the service was provided. If an issue cannot be resolved with an MCO, providers can send specific examples of MCO non-payment to the DHS MCO liaison at DHS_BHD_MCO@state.mn.us or the SUD Policy and Reform team at SUD.Direct.Access.DHS@state.mn.us. Please include documentation of contact with the MCO(s), such as dates and methods of communication, names of MCO staff contacted, ticket or work order numbers, and reasons for claims denials.

Providers can contact the MHCP Provider Resource Center or the SUD Policy and Reform team at SUD.Direct.Access.DHS@state.mn.us regarding MA and FFS payment problems with the new procedure codes.

Additional Resources

- Information on 2026 Changes (PDF)
- Accounting for breaks in SUD treatment documentation and billing (PDF)
- MHCP Provider Manual Substance Use Disorder (SUD) Services
- SUD.direct.access.dhs@state.mn.us