

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 4276

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DATE	D-PG	OFFICIAL STATUS
02/26/2024	11816	Introduction and first reading Referred to Health and Human Services
02/29/2024	11863	Author added Maye Quade
03/07/2024	12069	Withdrawn and re-referred to Human Services
03/13/2024		Comm report: To pass as amended and re-refer to Health and Human Services

1.1 A bill for an act

1.2 relating to behavioral health; expanding client supports; modifying substance use

1.3 disorder licensing requirements; creating a reporting system; modifying behavioral

1.4 health reimbursement; modifying tax provisions for certain individuals employed

1.5 in substance use disorder treatment programs; requiring reports; amending

1.6 Minnesota Statutes 2022, sections 144.226, by adding a subdivision; 171.06, by

1.7 adding a subdivision; 254B.051; 290.0682, subdivision 2; Minnesota Statutes 2023

1.8 Supplement, sections 245G.07, subdivision 2; 254B.05, subdivision 5; 256B.761;

1.9 Laws 2021, First Special Session chapter 7, article 17, section 18; Laws 2023,

1.10 chapter 61, article 4, section 23; proposing coding for new law in Minnesota

1.11 Statutes, chapter 144.

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

1.13 Section 1. **[144.2256] CERTIFIED BIRTH RECORD FOR PERSONS ELIGIBLE**

1.14 **FOR MEDICAL ASSISTANCE.**

1.15 Subdivision 1. **Application; birth record.** A subject of a birth record who is eligible

1.16 for medical assistance according to chapter 256B and who has been treated for a substance

1.17 use disorder within the last 12 months may apply to the state registrar or a local issuance

1.18 office for a certified birth record according to this section. The state registrar or local issuance

1.19 office shall issue a certified birth record, or statement of no vital record found, to a subject

1.20 of a birth record who submits:

1.21 (1) a completed application signed by the subject of the birth record;

1.22 (2) a statement of eligibility from an employee of a human services agency or treatment

1.23 provider licensed under chapter 245G that receives public funding to provide services to

1.24 people with substance use disorders. The statement must verify the subject of the birth

1.25 record is medical assistance eligible according to chapter 256B and has been treated for a

2.1 substance use disorder in the last 12 months. The statement must comply with the
2.2 requirements in subdivision 2; and

2.3 (3) identification in the form of:

2.4 (i) a document of identity listed in Minnesota Rules, part 4601.2600, subpart 8, or, at
2.5 the discretion of the state registrar or local issuance office, Minnesota Rules, part 4601.2600,
2.6 subpart 9;

2.7 (ii) a statement that complies with Minnesota Rules, part 4601.2600, subparts 6 and 7;
2.8 or

2.9 (iii) a statement of identity provided by the employee of a human services agency or
2.10 treatment provider that receives public funding to provide services to people with substance
2.11 use disorders who verified eligibility. The statement must comply with Minnesota Rules,
2.12 part 4601.2600, subpart 7.

2.13 Subd. 2. **Statement of eligibility.** A statement of eligibility must be from an employee
2.14 of a human services agency or treatment provider that receives public funding to provide
2.15 services to people with substance use disorders and must verify the subject of the birth
2.16 record is medical assistance eligible according to chapter 256B and has been treated for a
2.17 substance use disorder within the last 12 months. The statement of eligibility must include:

2.18 (1) the employee's first name, middle name, if any, and last name; home or business
2.19 address; telephone number, if any; and email address, if any;

2.20 (2) the name of the human services agency or treatment provider that receives public
2.21 funding to provide services to people with substance use disorders that employs the person
2.22 making the eligibility statement;

2.23 (3) the first name, middle name, if any, and last name of the subject of the birth record;

2.24 (4) a copy of the individual's employment identification or verification of employment
2.25 linking the employee to the human services agency or treatment provider that provided
2.26 treatment; and

2.27 (5) a statement specifying the relationship of the individual providing the eligibility
2.28 statement to the subject of the birth record.

2.29 Subd. 3. **Data practices.** Data listed under subdivision 1, clauses (2) and (3), are private
2.30 data on individuals.

3.1 Sec. 2. Minnesota Statutes 2022, section 144.226, is amended by adding a subdivision to
3.2 read:

3.3 Subd. 9. Birth record fees waived for persons treated for substance use disorders. A
3.4 subject of a birth record who is eligible for medical assistance according to chapter 256B
3.5 and who has been treated for a substance use disorder within the last 12 months must not
3.6 be charged any of the fees specified in this section for a certified birth record or statement
3.7 of no vital record found under section 144.2256.

3.8 EFFECTIVE DATE. This section is effective January 1, 2024.

3.9 Sec. 3. Minnesota Statutes 2022, section 171.06, is amended by adding a subdivision to
3.10 read:

3.11 Subd. 12. Application; identification card or copy of driver's license. (a) A subject
3.12 of an identification card or driver's license who is eligible for medical assistance according
3.13 to chapter 256B and who has been treated for a substance use disorder within the last 12
3.14 months may apply to the commissioner or driver's license agent for an identification card
3.15 or driver's license according to this section. The commissioner or driver's license agent shall
3.16 issue an identification card or driver's license and waive all fees to a person who submits:

3.17 (1) a completed application signed by the subject of the identification card or driver's
3.18 license;

3.19 (2) a statement, signed by the subject of the identification card or driver's license, that
3.20 the subject of the identification card or driver's license is eligible for medical assistance
3.21 according to chapter 256B and has been treated for a substance use disorder in the last 12
3.22 months; and

3.23 (3) a statement that complies with the requirements in paragraph (b) and is from an
3.24 employee of a human services agency that receives public funding to provide services to
3.25 people with substance use disorders verifying that the subject of the identification card or
3.26 driver's license is eligible for medical assistance according to chapter 256B and has been
3.27 treated for a substance use disorder in the last 12 months.

3.28 (b) A statement under paragraph (a), clause (3), must include:

3.29 (1) the following information regarding the individual providing the statement:

3.30 (i) first name, middle name, if any, and last name;

3.31 (ii) home or business address;

3.32 (iii) telephone number, if any; and

4.1 (iv) email address, if any;

4.2 (2) the first name, middle name, if any, and last name of the subject of the identification
4.3 card or driver's license; and

4.4 (3) a statement specifying the relationship of the individual providing the statement to
4.5 the subject of the identification card or driver's license and verifying that the subject of the
4.6 identification card or driver's license is eligible for medical assistance according to chapter
4.7 256B and has been treated for a substance use disorder within the last 12 months.

4.8 (c) For identification cards and driver's licenses issued under this section:

4.9 (1) the commissioner must not impose a fee, surcharge, or filing fee under section 171.06,
4.10 subdivision 2; and

4.11 (2) a driver's license agent must not impose a filing fee under section 171.061, subdivision
4.12 4.

4.13 Sec. 4. Minnesota Statutes 2023 Supplement, section 245G.07, subdivision 2, is amended
4.14 to read:

4.15 Subd. 2. **Additional treatment service.** A license holder may provide or arrange the
4.16 following additional treatment service as a part of the client's individual treatment plan:

4.17 (1) relationship counseling provided by a qualified professional to help the client identify
4.18 the impact of the client's substance use disorder on others and to help the client and persons
4.19 in the client's support structure identify and change behaviors that contribute to the client's
4.20 substance use disorder;

4.21 (2) therapeutic recreation to allow the client to participate in recreational activities
4.22 without the use of mood-altering chemicals and to plan and select leisure activities that do
4.23 not involve the inappropriate use of chemicals;

4.24 (3) stress management and physical well-being to help the client reach and maintain an
4.25 appropriate level of health, physical fitness, and well-being;

4.26 (4) living skills development to help the client learn basic skills necessary for independent
4.27 living;

4.28 (5) employment or educational services to help the client become financially independent;

4.29 (6) socialization skills development to help the client live and interact with others in a
4.30 positive and productive manner;

5.1 (7) room, board, and supervision at the treatment site to provide the client with a safe
5.2 and appropriate environment to gain and practice new skills; and

5.3 (8) peer recovery support services provided by an individual in recovery qualified
5.4 according to section 245I.04, subdivision 18. Peer support services include education;
5.5 advocacy; mentoring through self-disclosure of personal recovery experiences; attending
5.6 recovery and other support groups with a client; accompanying the client to appointments
5.7 that support recovery; assistance accessing resources to obtain housing, employment,
5.8 education, and advocacy services; and nonclinical recovery support to assist the transition
5.9 from treatment into the recovery community. Peer support services may be provided in
5.10 groups, with a maximum of six clients per group.

5.11 Sec. 5. Minnesota Statutes 2023 Supplement, section 254B.05, subdivision 5, is amended
5.12 to read:

5.13 Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for substance
5.14 use disorder services and service enhancements funded under this chapter.

5.15 (b) Eligible substance use disorder treatment services include:

5.16 (1) those licensed, as applicable, according to chapter 245G or applicable Tribal license
5.17 and provided according to the following ASAM levels of care:

5.18 (i) ASAM level 0.5 early intervention services provided according to section 254B.19,
5.19 subdivision 1, clause (1);

5.20 (ii) ASAM level 1.0 outpatient services provided according to section 254B.19,
5.21 subdivision 1, clause (2);

5.22 (iii) ASAM level 2.1 intensive outpatient services provided according to section 254B.19,
5.23 subdivision 1, clause (3);

5.24 (iv) ASAM level 2.5 partial hospitalization services provided according to section
5.25 254B.19, subdivision 1, clause (4);

5.26 (v) ASAM level 3.1 clinically managed low-intensity residential services provided
5.27 according to section 254B.19, subdivision 1, clause (5);

5.28 (vi) ASAM level 3.3 clinically managed population-specific high-intensity residential
5.29 services provided according to section 254B.19, subdivision 1, clause (6); and

5.30 (vii) ASAM level 3.5 clinically managed high-intensity residential services provided
5.31 according to section 254B.19, subdivision 1, clause (7);

6.1 (2) comprehensive assessments provided according to sections 245.4863, paragraph (a),
6.2 and 245G.05;

6.3 (3) treatment coordination services provided according to section 245G.07, subdivision
6.4 1, paragraph (a), clause (5);

6.5 (4) individual and group peer recovery support services provided according to section
6.6 245G.07, subdivision 2, clause (8);

6.7 (5) withdrawal management services provided according to chapter 245F;

6.8 (6) hospital-based treatment services that are licensed according to sections 245G.01 to
6.9 245G.17 or applicable tribal license and licensed as a hospital under sections 144.50 to
6.10 144.56;

6.11 (7) adolescent treatment programs that are licensed as outpatient treatment programs
6.12 according to sections 245G.01 to 245G.18 or as residential treatment programs according
6.13 to Minnesota Rules, parts 2960.0010 to 2960.0220, and 2960.0430 to 2960.0490, or
6.14 applicable tribal license;

6.15 (8) ASAM 3.5 clinically managed high-intensity residential services that are licensed
6.16 according to sections 245G.01 to 245G.17 and 245G.21 or applicable tribal license, which
6.17 provide ASAM level of care 3.5 according to section 254B.19, subdivision 1, clause (7),
6.18 and are provided by a state-operated vendor or to clients who have been civilly committed
6.19 to the commissioner, present the most complex and difficult care needs, and are a potential
6.20 threat to the community; and

6.21 (9) room and board facilities that meet the requirements of subdivision 1a.

6.22 (c) The commissioner shall establish higher rates for programs that meet the requirements
6.23 of paragraph (b) and one of the following additional requirements:

6.24 (1) programs that serve parents with their children if the program:

6.25 (i) provides on-site child care during the hours of treatment activity that:

6.26 (A) is licensed under chapter 245A as a child care center under Minnesota Rules, chapter
6.27 9503; or

6.28 (B) is licensed under chapter 245A and sections 245G.01 to 245G.19; or

6.29 (ii) arranges for off-site child care during hours of treatment activity at a facility that is
6.30 licensed under chapter 245A as:

6.31 (A) a child care center under Minnesota Rules, chapter 9503; or

- 7.1 (B) a family child care home under Minnesota Rules, chapter 9502;
- 7.2 (2) culturally specific or culturally responsive programs as defined in section 254B.01,
7.3 subdivision 4a;
- 7.4 (3) disability responsive programs as defined in section 254B.01, subdivision 4b;
- 7.5 (4) programs that offer medical services delivered by appropriately credentialed health
7.6 care staff in an amount equal to two hours per client per week if the medical needs of the
7.7 client and the nature and provision of any medical services provided are documented in the
7.8 client file; or
- 7.9 (5) programs that offer services to individuals with co-occurring mental health and
7.10 substance use disorder problems if:
- 7.11 (i) the program meets the co-occurring requirements in section 245G.20;
- 7.12 (ii) 25 percent of the counseling staff are licensed mental health professionals under
7.13 section 245I.04, subdivision 2, or are students or licensing candidates under the supervision
7.14 of a licensed alcohol and drug counselor supervisor and mental health professional under
7.15 section 245I.04, subdivision 2, except that no more than 50 percent of the mental health
7.16 staff may be students or licensing candidates with time documented to be directly related
7.17 to provisions of co-occurring services;
- 7.18 (iii) clients scoring positive on a standardized mental health screen receive a mental
7.19 health diagnostic assessment within ten days of admission;
- 7.20 (iv) the program has standards for multidisciplinary case review that include a monthly
7.21 review for each client that, at a minimum, includes a licensed mental health professional
7.22 and licensed alcohol and drug counselor, and their involvement in the review is documented;
- 7.23 (v) family education is offered that addresses mental health and substance use disorder
7.24 and the interaction between the two; and
- 7.25 (vi) co-occurring counseling staff shall receive eight hours of co-occurring disorder
7.26 training annually.
- 7.27 (d) In order to be eligible for a higher rate under paragraph (c), clause (1), a program
7.28 that provides arrangements for off-site child care must maintain current documentation at
7.29 the substance use disorder facility of the child care provider's current licensure to provide
7.30 child care services.

8.1 (e) Adolescent residential programs that meet the requirements of Minnesota Rules,
 8.2 parts 2960.0430 to 2960.0490 and 2960.0580 to 2960.0690, are exempt from the requirements
 8.3 in paragraph (c), clause (4), items (i) to (iv).

8.4 (f) Subject to federal approval, substance use disorder services that are otherwise covered
 8.5 as direct face-to-face services may be provided via telehealth as defined in section 256B.0625,
 8.6 subdivision 3b. The use of telehealth to deliver services must be medically appropriate to
 8.7 the condition and needs of the person being served. Reimbursement shall be at the same
 8.8 rates and under the same conditions that would otherwise apply to direct face-to-face services.

8.9 (g) For the purpose of reimbursement under this section, substance use disorder treatment
 8.10 services provided in a group setting without a group participant maximum or maximum
 8.11 client to staff ratio under chapter 245G shall not exceed a client to staff ratio of 48 to one.
 8.12 At least one of the attending staff must meet the qualifications as established under this
 8.13 chapter for the type of treatment service provided. A recovery peer may not be included as
 8.14 part of the staff ratio.

8.15 (h) Payment for outpatient substance use disorder services that are licensed according
 8.16 to sections 245G.01 to 245G.17 is limited to six hours per day or 30 hours per week unless
 8.17 prior authorization of a greater number of hours is obtained from the commissioner.

8.18 (i) Payment for substance use disorder services under this section must start from the
 8.19 day of service initiation, when the comprehensive assessment is completed within the
 8.20 required timelines.

8.21 Sec. 6. Minnesota Statutes 2022, section 254B.051, is amended to read:

8.22 **254B.051 SUBSTANCE USE DISORDER TREATMENT EFFECTIVENESS.**

8.23 Subdivision 1. Commissioner to collect additional data. In addition to the substance
 8.24 use disorder treatment program performance outcome measures that the commissioner of
 8.25 human services collects annually from treatment providers, the commissioner ~~shall~~ must
 8.26 request additional data from programs that receive appropriations from the behavioral health
 8.27 fund. This data shall include number of client readmissions six months after release from
 8.28 inpatient treatment, and the cost of treatment per person for each program receiving
 8.29 behavioral health funds. The commissioner may post this data on the department website.

8.30 Subd. 2. Data to be provided. (a) The commissioner must work with substance use
 8.31 disorder providers to design the reporting system and format of data availability for the
 8.32 purposes of improving the efficiency and effectiveness of substance use disorder program
 8.33 services.

9.1 (b) Applicable data collected by the commissioner from substance use disorder treatment
9.2 providers, including but not limited to claims, the drug and alcohol abuse normative
9.3 evaluation system, the utilization management system, the demonstration project, and cost
9.4 reporting, must be made available to substance use disorder treatment providers.

9.5 (c) At least annually, the commissioner must provide the data in an electronic format
9.6 that complies with chapter 13 and the format must allow providers to access all of the
9.7 information provided by the providers to the commissioner. When providing the data to
9.8 substance use disorder providers under this subdivision, the commissioner must include a
9.9 feature that allows a substance use disorder provider to compare their performance against
9.10 other providers.

9.11 Sec. 7. Minnesota Statutes 2023 Supplement, section 256B.761, is amended to read:

9.12 **256B.761 REIMBURSEMENT FOR MENTAL HEALTH SERVICES.**

9.13 (a) Effective for services rendered on or after July 1, 2001, payment for medication
9.14 management provided to psychiatric patients, outpatient mental health services, day treatment
9.15 services, home-based mental health services, and family community support services shall
9.16 be paid at the lower of (1) submitted charges, or (2) 75.6 percent of the 50th percentile of
9.17 1999 charges.

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

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

10.1 (d) Any ratables effective before July 1, 2015, do not apply to early intensive
10.2 developmental and behavioral intervention (EIDBI) benefits described in section 256B.0949.

10.3 (e) Effective for services rendered on or after January 1, 2024, payment rates for
10.4 behavioral health services included in the rate analysis required by Laws 2021, First Special
10.5 Session chapter 7, article 17, section 18, except for adult day treatment services under section
10.6 256B.0671, subdivision 3, and early intensive developmental and behavioral intervention
10.7 services under section 256B.0949; ~~and substance use disorder services under chapter 254B,~~
10.8 must be increased by three percent from the rates in effect on December 31, 2023. Effective
10.9 for services rendered on or after January 1, 2025, payment rates for behavioral health services
10.10 included in the rate analysis required by Laws 2021, First Special Session chapter 7, article
10.11 17, section 18, except for adult day treatment services under section 256B.0671, subdivision
10.12 3, and early intensive developmental behavioral intervention services under section
10.13 256B.0949; ~~and substance use disorder services under chapter 254B,~~ must be annually
10.14 adjusted according to the change from the midpoint of the previous rate year to the midpoint
10.15 of the rate year for which the rate is being determined using the Centers for Medicare and
10.16 Medicaid Services Medicare Economic Index as forecasted in the fourth quarter of the
10.17 calendar year before the rate year. For payments made in accordance with this paragraph,
10.18 if and to the extent that the commissioner identifies that the state has received federal
10.19 financial participation for behavioral health services in excess of the amount allowed under
10.20 United States Code, title 42, section 447.321, the state shall repay the excess amount to the
10.21 Centers for Medicare and Medicaid Services with state money and maintain the full payment
10.22 rate under this paragraph. This paragraph does not apply to federally qualified health centers,
10.23 rural health centers, Indian health services, certified community behavioral health clinics,
10.24 cost-based rates, and rates that are negotiated with the county. This paragraph expires upon
10.25 legislative implementation of the new rate methodology resulting from the rate analysis
10.26 required by Laws 2021, First Special Session chapter 7, article 17, section 18.

10.27 (f) Effective January 1, 2024, the commissioner shall increase capitation payments made
10.28 to managed care plans and county-based purchasing plans to reflect the behavioral health
10.29 service rate increase provided in paragraph (e). Managed care and county-based purchasing
10.30 plans must use the capitation rate increase provided under this paragraph to increase payment
10.31 rates to behavioral health services providers. The commissioner must monitor the effect of
10.32 this rate increase on enrollee access to behavioral health services. If for any contract year
10.33 federal approval is not received for this paragraph, the commissioner must adjust the
10.34 capitation rates paid to managed care plans and county-based purchasing plans for that
10.35 contract year to reflect the removal of this provision. Contracts between managed care plans

11.1 and county-based purchasing plans and providers to whom this paragraph applies must
11.2 allow recovery of payments from those providers if capitation rates are adjusted in accordance
11.3 with this paragraph. Payment recoveries must not exceed the amount equal to any increase
11.4 in rates that results from this provision.

11.5 Sec. 8. Minnesota Statutes 2022, section 290.0682, subdivision 2, is amended to read:

11.6 Subd. 2. **Credit allowed.** (a) An eligible individual is allowed a credit against the tax
11.7 due under this chapter.

11.8 (b) The credit for an eligible individual equals the least of:

11.9 (1) eligible loan payments minus ten percent of an amount equal to adjusted gross income
11.10 in excess of \$10,000, but in no case less than zero;

11.11 (2) the earned income for the taxable year of the eligible individual, if any;

11.12 (3) the sum of:

11.13 (i) the interest portion of eligible loan payments made during the taxable year; and

11.14 (ii) ten percent of the original loan amount of all qualified education loans of the eligible
11.15 individual; or

11.16 (4) \$500.

11.17 (c) For an eligible individual employed in a program licensed under chapter 245G who
11.18 has performed at least 1,000 hours of service as an employee in the taxable year, the credit
11.19 equals the least of the calculation under paragraph (b), clauses (1) to (3), or \$6,000.

11.20 ~~(e)~~ (d) For a part-year resident, the credit must be allocated based on the percentage
11.21 calculated under section 290.06, subdivision 2c, paragraph (e).

11.22 ~~(d)~~ (e) In the case of a married couple, each spouse is eligible for the credit in this section.
11.23 For the purposes of paragraph (b), for married taxpayers filing joint returns, each spouse's
11.24 adjusted gross income equals the spouse's percentage share of the couple's earned income,
11.25 multiplied by the couple's combined adjusted gross income.

11.26 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
11.27 1, 2023.

12.1 Sec. 9. Laws 2021, First Special Session chapter 7, article 17, section 18, is amended to
 12.2 read:

12.3 **Sec. 18. MEDICAL ASSISTANCE OUTPATIENT AND BEHAVIORAL HEALTH**
 12.4 **SERVICE RATES STUDY.**

12.5 (a) This act includes \$486,000 in fiscal year 2022 and \$696,000 in fiscal year 2023 for
 12.6 an analysis of the current rate-setting methodology for all outpatient services in medical
 12.7 assistance and MinnesotaCare, including rates for behavioral health, substance use disorder
 12.8 treatment, and residential substance use disorder treatment. The analysis must also include
 12.9 a review of the costs of providing room and board for all levels of substance use disorder
 12.10 residential treatment, for adolescent residential treatment, for adolescent nonresidential
 12.11 treatment, and for withdrawal management services for adolescents. By January 1, 2022,
 12.12 the commissioner shall issue a request for proposals for frameworks and modeling of
 12.13 behavioral health services rates. Rates must be predicated on a uniform methodology that
 12.14 is transparent, culturally responsive, supports staffing needed to treat a patient's assessed
 12.15 need, and promotes quality service delivery, integration of care, and patient choice. The
 12.16 commissioner must consult with providers across the spectrum of services, from across
 12.17 each region of the state, and culturally responsive providers in the development of the request
 12.18 for proposals and for the duration of the contract. The general fund base included in this
 12.19 act for this purpose is \$599,000 in fiscal year 2024 and \$0 in fiscal year 2025.

12.20 (b) By ~~January 15, 2023~~ November 1, 2024, the commissioner of human services shall
 12.21 submit a preliminary report to the chairs and ranking minority members of the legislative
 12.22 committees with jurisdiction over human services policy and finance on the initial results.
 12.23 By January 15, ~~2024~~ 2025, the commissioner of human services shall submit a final report
 12.24 to the chairs and ranking minority members of the legislative committees with jurisdiction
 12.25 over human services policy and finance that includes legislative language necessary to
 12.26 modify existing or implement new rate methodologies, including a new substance use
 12.27 disorder treatment rate methodology, and a detailed fiscal analysis.

12.28 Sec. 10. Laws 2023, chapter 61, article 4, section 23, is amended to read:

12.29 **Sec. 23. MEDICAL ASSISTANCE BEHAVIORAL HEALTH SYSTEM**
 12.30 **TRANSFORMATION STUDY.**

12.31 (a) The commissioner of human services, in consultation with stakeholders, must evaluate
 12.32 the feasibility, potential design, and federal authorities needed to cover traditional healing,

13.1 behavioral health services in correctional facilities, and contingency management under the
 13.2 medical assistance program.

13.3 (b) The commissioner must seek federal approval to implement the demonstration project
 13.4 under this section and receive federal financial participation by January 1, 2025.

13.5 Sec. 11. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES;**
 13.6 **TRANSITION SUPPORT SERVICES RECOMMENDATIONS.**

13.7 (a) The commissioner of human services, in consultation with stakeholders, must develop
 13.8 recommendations related to transition support services for persons who have been a client
 13.9 of a substance use disorder treatment program and who receive medical assistance or services
 13.10 through the behavioral health fund under Minnesota Statutes, chapter 254B.

13.11 (b) Stakeholders must equitably represent geographic areas of the state and must include
 13.12 individuals in recovery from a substance use disorder and providers from Black, Indigenous,
 13.13 people of color, or immigrant communities. Stakeholders must include but are not limited
 13.14 to:

13.15 (1) the Minnesota Association of Resources for Recovery and Chemical Health;

13.16 (2) the Minnesota Alliance of Rural Addiction Treatment Providers;

13.17 (3) the Minnesota Association of Community Mental Health Programs;

13.18 (4) recovery community organizations;

13.19 (5) current and former clients of substance use disorder treatment programs based in
 13.20 Minnesota; and

13.21 (6) the Minnesota Association of County Social Service Administrators.

13.22 (c) The commissioner must make recommendations on the following transition support
 13.23 components:

13.24 (1) funding for recovery safe housing;

13.25 (2) food support funding for persons not otherwise eligible for food support programs;

13.26 (3) child care options;

13.27 (4) transportation services to facilitate attendance at group meetings or other recovery
 13.28 activities and a person's ability to work and seek employment and to meet the needs of daily
 13.29 living. The commissioner's recommendations on transportation services must consider:

13.30 (i) for persons well served by public transit, a monthly public transit pass; or

14.1 (ii) for persons who are not well served by public transit or who have access to personal
14.2 transportation, recommendations for a stipend for a gas card each month;

14.3 (5) a duration period of eligibility for transition support services and service coordination,
14.4 regardless of public assistance eligibility, and pursuing a federal waiver to allow persons
14.5 receiving transition support services to remain eligible for medical assistance for the identified
14.6 eligibility period; and

14.7 (6) eligibility criteria for transition support services.

14.8 (d) The commissioner's recommendations for funding transition support services must
14.9 maximize existing federal and state funding sources for which recipients may be eligible
14.10 and may not count federal and state benefits as income for the purposes of qualifying for
14.11 public assistance programs.

14.12 (e) By December 1, 2024, the commissioner must complete and submit a report on the
14.13 recommendations required under this section to the chairs and ranking minority members
14.14 of the legislative committees with jurisdiction over health and human services policy and
14.15 finance.

14.16 **Sec. 12. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; ADOPT**
14.17 **RATE STUDY PROPOSED RATES.**

14.18 The commissioner of human services must adopt the proposed rates in Appendices A-D
14.19 in the Minnesota Health Care Programs Fee-for-Service Outpatient Services Rate Study,
14.20 Second Report published on January 22, 2024, except for the rate reductions to withdrawal
14.21 management services. The commissioner must maintain the rate enhancements in Minnesota
14.22 Statutes, section 254B.05, subdivision 5, paragraph (c), clause (1), for clients with children
14.23 until a cost-based rate is established.

14.24 **EFFECTIVE DATE.** This section is effective January 1, 2025.