

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 3630

**DATE:** March 27, 2006

**Version:** As introduced

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**Subject:** Mental Health

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### Overview

This bill reforms the structure, financing, and services in the public mental health system.

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**1 Mental health services already provided.** Amends §245.465 by adding subdivision 3. States that a county board is not responsible for providing mental health services when an individual has health care coverage that covers the needed services.

**2 Mental health service delivery and finance reform.** Adds §245.4682.

**Subd. 1. Policy.** Provides that the goals of the mental health reform are to improve the availability, quality and accountability of the mental health care system.

**Subd. 2. General provisions.** Provides that in the redesign and implementation of the mental health care system the commissioner of human services shall:

- Consult with stakeholders;
- Make recommendations for amending statutes, including updating the role of counties, to the legislature and the state Mental Health Advisory Council by January 15, 2007;

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- Ensure continuity of care for individuals affected by the reforms;
- Provide accountability for the use of public and private resources;
- Ensure clients have access to protections and appeals; and
- Make budget transfers that do not increase the state share of costs in implementing improvements to the mental health system. State that the transfer of state grants to health care programs shall not exceed the value of the services being transferred for the latest 12-month period for which data is available.

### **Subd. 3. Regional projects for coordination of care.**

Paragraph (a). Authorizes the commissioner to solicit, approve, and implement regional projects that integrate physical and mental health services within prepaid health plans and their coordination with social services. States that in consultation with consumers and their families, the commissioner shall:

- Determine criteria for approving regional projects and use that criteria to solicit proposals;
- Require each project include at least one health maintenance organization, community integrated service network, or provider network that is eligible to contract with the commissioner as prepaid health plan, and the county or counties within the region;
- Waive administrative rules not consistent with implementation of the regional projects; and
- Begin implementation no earlier than January 1, 2008.

Paragraph (b). Instructs the commissioner to enroll all medical assistance eligible individuals who have a serious and persistent mental illness or severe emotional disturbance in the prepaid plan of their choice within the project region unless the individual has no other basis for exclusion under section 256B.69, subdivision 4; or has an established relationship with a provider who is not included in the available prepaid plans.

Paragraph (c). Allows the commissioner to assign an individual to a prepaid participating plan, if the individual declines to choose a plan.

Paragraph (d). Instructs the commissioner, in consultation with consumers and their families, to refine the design of the regional projects and to expand the number of demonstration projects as additional qualified partnerships present

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themselves.

Paragraph (e). Instructs the commissioner to apply for any federal waivers.

### **3 County maintenance of effort.** Adds §245.4835.

**Subd. 1. Required expenditures.** Provides that counties must maintain a level of expenditures for mental health services under the Adult Mental Health Act and the Children's Mental Health Act at least equal to the average expenditures for those services for calendar years 2004 and 2005. States the commissioner will adjust each county's base level for minimum expenditures by the amount of any increase or decrease in the county's state grants or other noncounty revenues for mental health services.

**Subd. 2. Failure to maintain expenditures.** Provides that the commissioner shall require a county to develop a corrective action plan if the county does not comply with subdivision 1. If the plan is not acceptable to the commissioner or the county does not comply with the plan, the county loses protections provided by section 245.485.

### **4 Duties of the county board.** Amends Minnesota Statutes 2005 Supplement, §245.4874 by adding subdivision 2.

**Subd. 2. Duties of the county board.** States that a county board is not responsible for providing mental health services when an individual has health care coverage that covers the needed services.

### **5 Children's mental health grants.** Adds §245.4889.

**Subd. 1. Establishment and authority.** Authorizes the commissioner to make grants from available appropriations for counties, tribes, children's collaboratives, or mental health providers to provide services for children with emotional disturbances, as defined in §245.4871, subdivision 15, and to young adults meeting the criteria for transition services, as defined in §245.4871, subdivision 8.

**Subd. 2. Grant application and reporting requirements.** Requires that applicant organizations submit an application and budget in the form specified by the commissioner. Provides that the commissioner shall approve any grant for which funds will be disbursed. States that priority shall be given to counties whose plans indicate collaboration with other agencies in the delivery of care. Requires the commissioner to specify requirements for reports, and collect data and reports deemed necessary to demonstrate effectiveness of the programs.

### **6 County portion for cost of care.** Amends §246.54, subdivision 1.

- Requires, except in cases where chemical dependency services are provided, that a

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county pay the state 20% of the cost of care for the first 60 days a county resident is in a regional treatment center or state nursing facility. Previously, a county was required to pay the state 20% of the cost of care for each day a resident was receiving such care.

- Adds that after the first 60 days, the county share is 50%.
- Provides that if the amount of payment made by the patient or third party exceeds 80% of the cost of care for the first 60 days, or 50% for additional days, the county shall be responsible for only the remaining amount.
- Deletes obsolete language.

**7 Additional exception for community behavioral health hospitals.** Amends §246.54 by adding subdivision 3.

- States that subdivision 1 does not apply state-operated community behavioral health hospitals.
- Requires a county to pay 50% of the cost of care for a county resident from the county's own sources of revenues.
- Provides that if the amount of payment made to the hospital by the patient or third party exceeds 50% of the cost of care, the county is responsible for paying the remaining amount.
- States that a county is not entitled to reimbursement from the client, the client's estate, or client's relatives except as provided in §246.53.

**Effective date.** This section is effective January 1, 2007.

**8 Mental health case management.** Amends §256B.0625, subdivision 20.

- Deletes language related to calculations of county payments and state funds used to pay for mental health case management.
- Adds that when the state pays for mental health case management services without a federal share through fee-for-service, the recipient's county of residence is responsible for 50% of the cost.
- Adds that prepaid medical assistance, general assistance medical care, and MinnesotaCare include mental health case management. States that when this service is provided through prepaid capitation, the nonfederal share is paid by the state, and there is no county share.
- States that the commissioner shall set aside a portion of federal funds earned for

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county expenditures to repay the special revenue maximization account.

**Effective date.** This section is effective January 1, 2008.

**9 Provider qualifications.** Amends §256B.0945, subdivision 1. Deletes obsolete language.

**10 Payment rates.** Amends §256B.0945, subdivision 4. Provides that per diem rates paid by prepaid plans shall be the proportion of the per day contract rates related to rehabilitative mental health services, and shall not include payment for services billed to IV-E as room and board. States that the commissioner shall set aside an amount of federal funds earned for county expenditures, not to exceed 5%, to cover the state costs of administering this section.

**Effective date.** This section is effective January 1, 2008.

**11 Payment for covered services.** Amends §256B.69, subdivision 5g. Provides that mental health services added as covered benefits after December 31, 2006, are not affected by the reduction in rate paid to managed care programs providing services under medical assistance and general assistance medical care.

**12 Payment reduction.** Amends §256B.69, subdivision 5h. Provides that mental health services added as covered benefits after December 31, 2006, are not included in the rate reduction paid to managed care plans under the medical assistance program.

**13 Critical access mental health rate increase.** Adds §256B.763.

Paragraph (a). Provides that for services as defined in paragraph (b) rendered on or after July 1, 2007, payment rates shall be increased 23.7% over the rates in effect January 1, 2006, for psychiatrists and advanced practice registered nurses with a psychiatric specialty; community mental health centers; and centers certified under Minnesota Rules 9520.0750 to 9520.0870, or hospital outpatient psychiatric departments designated as essential community providers.

Paragraph (b). Lists services to which the rate increase applies: group skills training as a component of children's therapeutic services; psychotherapy, medication management; evaluation and management; diagnostic assessment; explanation of findings; psychological testing; neuropsychological services; direction of behavioral aides; and inpatient consultation.

Paragraph (c). States that the increase does not apply to rates governed by sections 256B.0625, subdivision 30 and 256B.761, paragraph (b); other cost-based rates; rates that are negotiated with the county; rates that are established by the federal government; or rates that increased between January 1, 2004, and January 1, 2005.

Paragraph (d). Instructs the commissioner to adjust rates to prepaid health plans under contract with the commissioner to reflect the rate increases in paragraph (a). Directs the health plan to pass the increase to the providers identified in paragraph (a).

**14 General assistance medical care; services.** Amends Minnesota Statutes 2005 Supplement, §256D.03, subdivision 4. Deletes specific covered services, and adds that mental health services covered under chapter 256B, Medical Assistance, are covered services under general assistance medical care. Provides that payments for mental health services covered as benefits after December 31, 2006, are not subject to the reductions in paragraphs (i), (k),

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(l), and (m).

**Effective date.** This section is effective January 1, 2007; except mental health case management is effective January 1, 2008.

- 15** **Covered services.** Amends Minnesota Statutes 2005 Supplement, §256L.03, subdivision 1. Makes MinnesotaCare benefit set the same as the medical assistance benefit set.

**Effective date.** This section is effective January 1, 2007; except mental health case management is effective January 1, 2008.

- 16** **Limited benefits coverage for certain single adults and households without children.** Amends Minnesota Statutes 2005 Supplement, §256L.035. Adds mental health services as covered under chapter 256B as a covered benefit. Adds services of other mental health professionals covered under chapter 256B.

**Effective date.** This section is effective January 1, 2007; except mental health case management is effective January 1, 2008.

- 17** **Rate setting; ratable reduction.** Amends §256L.12, subdivision 9a. Excludes mental health benefits added as covered benefits after December 31, 2006, from the 1.0% reduction in payment to managed care plans under MinnesotaCare.

- 18** **Revisor's instruction.** States that the revisor is to change references to sections 245.487 to 245.4887 (Children's Mental Health Act) to sections 245.487 to 245.4889.

- 19** **Repealer.** Repeals Minnesota Statutes 2004, sections 245.465 (Residential and community support programs; 1992 salary increase); 256.0945 (Residential services for children with severe emotional disturbance) subdivisions 5 (quality measures), 6 (federal earnings), 7 (maintenance of effort), 8 (reports), and 9 (sanctions); and 256B.83 (Maintenance of effort for certain mental health services).