

Subject Mental Health Services Rate Increases

Authors Her

Analyst Danyell A. Punelli

Date March 19, 2024

Overview

This bill provides various mental health services payment rate increases, appropriates money for certain rate increases, and repeals certain medical assistance (MA) payments for mental health services.

Summary

Section	Description
---------	-------------

1	Rate requirements.
---	---------------------------

Amends § 254B.05, subd. 5. Requires the commissioner to: (1) increase rates by an unspecified percentage for residential substance use disorder treatment services effective for services rendered on or after January 1, 2025; (2) increase rates for such services annually by a specified process; (3) repay any excess amounts of federal financial participation for residential substance use disorder services to the Centers for Medicare and Medicaid Services (CMS) with state money and maintain the full payment rates; and (4) increase capitation payments made to managed care plans and county-based purchasing plans to reflect the rate increase for residential substance use disorder services. Specifies that these rate increases do not apply to federally qualified health centers, rural health centers, Indian health services, certified community behavioral health clinics (CCBHCs), cost-based rates, and rates that are negotiated with the county. Makes conforming changes.

2	Hospital payment rates.
---	--------------------------------

Amends § 256.969, subd. 2b. Effective for discharges occurring on or after January 1, 2025, requires the commissioner to: (1) increase payments for inpatient behavioral health services provided by hospitals paid on a diagnosis-related group (DRG) methodology by increasing the adjustment for behavioral health services; and (2) increase capitation payments made to managed care plans and county-based purchasing plans to reflect the rate increase provided to hospitals. Requires managed care and county-based purchasing plans to use the capitation rate increase to increase payment rates for inpatient behavioral health services provided by hospitals paid under the DRG methodology. Requires the commissioner to monitor the effect of this rate increase on enrollee access to services. Specifies other requirements

Section	Description
	related to the managed care and county-based purchasing plans and treatment of capitation rate increases.
3	<p data-bbox="318 380 789 411">Payments for health home services.</p> <p data-bbox="318 426 1422 493">Amends § 256B.0757, subd. 5. Excludes behavioral health home services from certain payments.</p> <p data-bbox="318 533 1409 642">Makes this section effective January 1, 2025, or upon federal approval, whichever is later. Requires the commissioner of human services to inform the revisor of statutes when federal approval is obtained.</p>
4	<p data-bbox="318 688 935 720">Payments for behavioral health home services.</p> <p data-bbox="318 735 1414 957">Amends § 256B.0757, by adding subd. 5a. Modifies rates for behavioral health home services by requiring the commissioner to: (1) determine and implement a single statewide reimbursement rate for behavioral health home services that is no less than \$408 per member per month; (2) adjust the statewide reimbursement rate annually based on inflation; and (3) review and update the behavioral health home service rate at least every four years based on specified information.</p> <p data-bbox="318 997 1409 1104">Provides a January 1, 2025, effective date, or upon federal approval, whichever is later. Requires the commissioner of human services to inform the revisor of statutes when federal approval is obtained.</p>
5	<p data-bbox="318 1150 1000 1182">Physician and professional services reimbursement.</p> <p data-bbox="318 1197 1393 1268">Amends § 256B.76, subd. 1. Removes obsolete language. Sunsets certain physician and professional services rates on December 31, 2024. Makes conforming changes.</p>
6	<p data-bbox="318 1314 711 1346">Medicare relative value units.</p> <p data-bbox="318 1360 1417 1696">Amends § 256B.76, subd. 6. Modifies MA rates for certain physician and professional services rates for services rendered on or after January 1, 2025. Requires the commissioner to revise fee-for-service payment methodologies upon the issuance of a Medicare Physician Fee Schedule final rule by CMS, to ensure the payment rates are at least equal to the corresponding rates in the final rule. Requires the commissioner to revise and implement payment rates for mental health services based on Medicare relative value units and rendered on or after January 1, 2025, such that the payment rates are at least equal to 100 percent of the Medicare Physician Fee Schedule.</p> <p data-bbox="318 1736 1409 1921">Makes all mental health services and substance use disorder services performed in a primary care or mental health care health professional shortage area, medically underserved area, or medically underserved population, eligible for a ten percent bonus payment. Specifies when the services are eligible for a bonus based on the performance of the service in a health professional shortage area. Requires the</p>

Section	Description
	commissioner to increase capitation payments made to managed care plans and county-based purchasing plans to reflect the rate increases that are effective for services rendered on or after January 1, 2025. Specifies other requirements related to managed care and county-based purchasing plans and the capitation payment increase.
7	Reimbursement for mental health services. Amends § 256B.761. Increases payment rates for specific services rendered on or after January 1, 2025, to align with the Medicare Physician Fee Schedule.
8	Appropriation. Appropriates \$8,785,000 from the general fund to the commissioner of human services for the rate increases for inpatient behavioral health services provided by hospitals paid on a DRG methodology. Requires the aggregate amount of the increased payments to at least equal the amount of this appropriation.
9	Repealer. Repeals Minn. Stat. § 256B.0625, subd. 38 (payments for mental health services).



**MN HOUSE
RESEARCH**

Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn.gov/hrd | 651-296-6753 | 155 State Office Building | St. Paul, MN 55155