This bill requires the commissioner of human services to develop proposals to provide MA reimbursement for: mental health and other treatment services provided in children's residential treatment programs; rehabilitation services for adults with mental illness and other debilitating conditions; and targeted case management for adults receiving services through a county or state agency.

1 **Capitation payment system.** Amends § 245.4932, by adding subd. 5. Requires the commissioner to assist children's mental health collaboratives implementing a capitation payment system, to ensure that all federally reimbursable services are permitted in the base used to determine expenditures for the capitation contract.

2 **Reimbursement for children's residential treatment services.**

   **Subd. 1. General.** Requires the commissioner, in consultation with the association of Minnesota counties, to develop a proposal to provide MA reimbursement for mental health and other treatment services provided in children's residential treatment programs.

   **Subd. 2. Medical assistance reimbursement.** Sets requirements for the proposal. Requires the commissioner to establish a per diem reimbursement rate and allows counties to pay the nonfederal share of MA costs if no state funds are appropriated for this purpose. Requires the commissioner to pay all funds generated to the counties and specifies how the new revenue must be used.

   **Subd. 3. Expanded county expenditures for services.** Defines an expansion of county expenditures as an increase above a base level determined by the commissioner and the county. Requires expansions in county expenditures to be based on recommendations of the local children's mental health collaboratives.

   **Subd. 4. Capitation payment systems.** Requires any new revenue to be incorporated into the capitation rate for children's mental health collaboratives that are implementing a capitation payment system.
Subd. 5. Use of reimbursement. Prohibits the commissioner from using the state and federal reimbursement earned under this proposal in determining the allocation or distribution of other funds to counties.

Subd. 6. Federal waiver discussions. Requires the commissioner to incorporate reimbursement received in this proposal in federal waiver discussions and states that the commissioner shall not agree to any MA waiver funding formula that would prohibit these reimbursements from being received by the state.

Subd. 7. Report. Requires the commissioner to submit this proposal to the legislature by January 15, 2000, for implementation by July 1, 2000.

3 Rehabilitation services option for adults with mental illness or other conditions. Requires the commissioner of human services, in consultation with the association of Minnesota counties, to design a proposal to add rehabilitation services to the state MA plan for adults with mental illness or other debilitating conditions, including chemical dependency. Specifies requirements for the proposal and requires the proposal to be presented to the legislature by January 15, 2000, for implementation by July 1, 2000.

4 Targeted case management for vulnerable adults. Requires the commissioner of human services, in consultation with the association of Minnesota counties, to design a proposal to provide MA reimbursement for targeted case management services for adults receiving services through a county or state agency that are in need of coordination. These individuals include seniors, adult protective services clients, persons applying for welfare assistance, chemically dependent clients, and other populations served under chapter 256E. Specifies requirements for the proposal and requires the proposal to be presented to the legislature by January 15, 2000, for implementation by July 1, 2000.