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State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-FIFTH
SESSION**

HOUSE FILE No. 922

February 13, 2007

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The bill was read for the first time and referred to the Committee on Health and Human Services

A bill for an act

relating to human services; changing mental health provisions; authorizing provider rate increases; changing mental health services coverage by medical assistance; implementing evidence-based practice; appropriating money; amending Minnesota Statutes 2006, sections 256B.038; 256B.0623, subdivisions 2, 8, 12; 256B.0625, subdivisions 38, 43, 46, by adding subdivisions; 256B.0943, subdivisions 1, 2, by adding a subdivision; 256B.69, subdivisions 5g, 5h; 256B.761; 256B.763; 256L.12, subdivision 9a.

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

Section 1. Minnesota Statutes 2006, section 256B.038, is amended to read:

256B.038 PROVIDER RATE INCREASES AFTER JUNE 30, 1999.

(a) For fiscal years beginning on or after July 1, 1999, the commissioner of finance shall include an annual inflationary adjustment in payment rates for the services listed in paragraph (b) as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11. The adjustment shall be accomplished by indexing the rates in effect for inflation based on the change in the Consumer Price Index-All Items (United States city average)(CPI-U) as forecasted by Data Resources, Inc., in the fourth quarter of the prior year for the calendar year during which the rate increase occurs.

(b) Within the limits of appropriations specifically for this purpose, the commissioner shall apply the rate increases in paragraph (a) to home and community-based waiver services for persons with developmental disabilities under section 256B.501; home and community-based waiver services for the elderly under section 256B.0915; waived services under community alternatives for disabled individuals under section 256B.49; community alternative care waived services under section 256B.49; traumatic brain injury waived services under section 256B.49; nursing services and home health services

2.1 under section 256B.0625, subdivision 6a; personal care services and nursing supervision
 2.2 of personal care services under section 256B.0625, subdivision 19a; private duty nursing
 2.3 services under section 256B.0625, subdivision 7; day training and habilitation services
 2.4 for adults with developmental disabilities under sections 252.40 to 252.46; physical
 2.5 therapy services under sections 256B.0625, subdivision 8, and 256D.03, subdivision 4;
 2.6 occupational therapy services under sections 256B.0625, subdivision 8a, and 256D.03,
 2.7 subdivision 4; speech-language therapy services under section 256D.03, subdivision
 2.8 4, and Minnesota Rules, part 9505.0390; respiratory therapy services under section
 2.9 256D.03, subdivision 4, and Minnesota Rules, part 9505.0295; physician services under
 2.10 section 256B.0625, subdivision 3; dental services under sections 256B.0625, subdivision
 2.11 9, and 256D.03, subdivision 4; alternative care services under section 256B.0913; adult
 2.12 residential program grants under Minnesota Rules, parts 9535.2000 to 9535.3000;
 2.13 adult and family community support grants under Minnesota Rules, parts 9535.1700 to
 2.14 9535.1760; ~~and~~ semi-independent living services under section 252.275, including SILS
 2.15 funding under county social services grants formerly funded under chapter 256I; and
 2.16 children's therapeutic services and support services under section 256B.0943.

2.17 (c) The commissioner shall increase prepaid medical assistance program capitation
 2.18 rates as appropriate to reflect the rate increases in this section.

2.19 (d) In implementing this section, the commissioner shall consider proposing a
 2.20 schedule to equalize rates paid by different programs for the same service.

2.21 Sec. 2. Minnesota Statutes 2006, section 256B.0623, subdivision 2, is amended to read:

2.22 Subd. 2. **Definitions.** For purposes of this section, the following terms have the
 2.23 meanings given them.

2.24 (a) "Adult rehabilitative mental health services" means mental health services which
 2.25 are rehabilitative and enable the recipient to develop and enhance psychiatric stability,
 2.26 social competencies, personal and emotional adjustment, and independent living and
 2.27 community skills, when these abilities are impaired by the symptoms of mental illness.
 2.28 Adult rehabilitative mental health services are also appropriate when provided to enable a
 2.29 recipient to retain stability and functioning, if the recipient would be at risk of significant
 2.30 functional decompensation or more restrictive service settings without these services.

2.31 (1) Adult rehabilitative mental health services instruct, assist, and support the
 2.32 recipient in areas such as: interpersonal communication skills, community resource
 2.33 utilization and integration skills, crisis assistance, relapse prevention skills, health care
 2.34 directives, budgeting and shopping skills, healthy lifestyle skills and practices, cooking
 2.35 and nutrition skills, transportation skills, medication education and monitoring, mental

3.1 illness symptom management skills, household management skills, employment-related
3.2 skills, and transition to community living services.

3.3 (2) These services shall be provided to the recipient on a one-to-one basis in the
3.4 recipient's home or another community setting or in groups.

3.5 (b) "Medication education services" means services provided individually or in
3.6 groups which focus on educating the recipient about mental illness and symptoms; the role
3.7 and effects of medications in treating symptoms of mental illness; and the side effects of
3.8 medications. Medication education is coordinated with medication management services
3.9 and does not duplicate it. Medication education services are provided by physicians,
3.10 pharmacists, physician's assistants, or registered nurses.

3.11 (c) "Transition to community living services" means services which maintain
3.12 continuity of contact between the rehabilitation services provider and the recipient and
3.13 which facilitate discharge from a hospital, residential treatment program under Minnesota
3.14 Rules, chapter 9505, board and lodging facility, or nursing home. Transition to community
3.15 living services are not intended to provide other areas of adult rehabilitative mental health
3.16 services.

3.17 (d) "Family psychoeducation" is a multimodal outpatient therapy and rehabilitative
3.18 service that involves parents, families, and others as resources in the treatment, recovery,
3.19 and improved functioning of a person with mental illness or emotional disturbance,
3.20 in which families learn about the illness, family reactions, and types of treatment and
3.21 supports. Families learn to develop skills to handle problems posed by mental illness
3.22 including coping, managing stress, ensuring safety, creating social support, identifying
3.23 resources, and supporting treatment and recovery goals. Services include family
3.24 counseling, family treatment planning, and family support using cognitive, behavioral,
3.25 problem-solving, and communication strategies, and may involve individual, family, and
3.26 group intervention activities for consumers and families together, families only, or brief
3.27 intermittent consultations at critical times in an episode of care. Eligible providers must
3.28 be certified to provide both outpatient mental health services and rehabilitative services
3.29 under this section.

3.30 Sec. 3. Minnesota Statutes 2006, section 256B.0623, subdivision 8, is amended to read:

3.31 Subd. 8. **Diagnostic assessment.** Providers of adult rehabilitative mental health
3.32 services must complete a diagnostic assessment as defined in section 245.462, subdivision
3.33 9, within five days after the recipient's second visit or within 30 days after intake,
3.34 whichever occurs first. A diagnostic assessment must be reimbursed at the same rate
3.35 as a diagnostic assessment under section 256B.49, subdivision 14. In cases where a

4.1 diagnostic assessment is available that reflects the recipient's current status, and has been
4.2 completed within 180 days preceding admission, an update must be completed. An
4.3 update shall include a written summary by a mental health professional of the recipient's
4.4 current mental health status and service needs. If the recipient's mental health status
4.5 has changed significantly since the adult's most recent diagnostic assessment, a new
4.6 diagnostic assessment is required. For initial implementation of adult rehabilitative mental
4.7 health services, until June 30, 2005, a diagnostic assessment that reflects the recipient's
4.8 current status and has been completed within the past three years preceding admission
4.9 is acceptable.

4.10 Sec. 4. Minnesota Statutes 2006, section 256B.0623, subdivision 12, is amended to
4.11 read:

4.12 Subd. 12. **Additional requirements.** (a) Providers of adult rehabilitative
4.13 mental health services must comply with the requirements relating to referrals for case
4.14 management in section 245.467, subdivision 4.

4.15 (b) Adult rehabilitative mental health services are provided for most recipients
4.16 in the recipient's home and community. Services may also be provided at the home of
4.17 a relative or significant other, job site, psychosocial clubhouse, drop-in center, social
4.18 setting, classroom, or other places in the community. Except for "transition to community
4.19 services," the place of service does not include a regional treatment center, nursing
4.20 home, residential treatment facility licensed under Minnesota Rules, parts 9520.0500 to
4.21 9520.0670 (Rule 36), or an acute care hospital.

4.22 (c) Adult rehabilitative mental health services may be provided in group settings if
4.23 appropriate to each participating recipient's needs and treatment plan. A group is defined
4.24 as two to ten clients, at least one of whom is a recipient, who is concurrently receiving a
4.25 service which is identified in this section. The service and group must be specified in the
4.26 recipient's treatment plan. No more than two qualified staff may bill Medicaid for services
4.27 provided to the same group of recipients. If two adult rehabilitative mental health workers
4.28 bill for recipients in the same group session, they must each bill for different recipients.

4.29 (d) Adult rehabilitative mental health services include family psychoeducation,
4.30 coordination and care management, and collateral contacts.

4.31 Sec. 5. Minnesota Statutes 2006, section 256B.0625, subdivision 38, is amended to
4.32 read:

4.33 Subd. 38. **Payments for mental health services.** (a) Payments for mental
4.34 health services covered under the medical assistance program that are provided by

5.1 masters-prepared mental health professionals shall be 80 percent of the rate paid to
 5.2 doctoral-prepared professionals. Payments for mental health services covered under
 5.3 the medical assistance program that are provided by masters-prepared mental health
 5.4 professionals employed by community mental health centers shall be 100 percent of the
 5.5 rate paid to doctoral-prepared professionals. ~~For purposes of reimbursement of mental~~
 5.6 ~~health professionals under the medical assistance program, all~~

5.7 (b) Payments for mental health services covered under the medical assistance
 5.8 program that are provided by social workers who:

5.9 (1) have received a master's degree in social work from a program accredited by the
 5.10 Council on Social Work Education;

5.11 (2) are licensed at the level of graduate social worker or independent social worker;
 5.12 **and**

5.13 (3) are practicing clinical social work under appropriate supervision, as defined by
 5.14 chapter 148D; and

5.15 (4) meet all requirements under Minnesota Rules, part 9505.0323, subpart 24, and.
 5.16 Payments under this paragraph shall be paid accordingly according to Minnesota Rules,
 5.17 part 9505.0323, subpart 24, unless paragraph (c) is applicable.

5.18 (c) Payments for mental health services covered under the medical assistance
 5.19 program that are provided by an individual who:

5.20 (1) is employed by a community mental health center and who has completed all
 5.21 requirements for licensure or board certification as a mental health professional except for
 5.22 the requirements for supervised experience in the delivery of mental health services; or

5.23 (2) who is a student in a bona fide field placement or internship under a program
 5.24 leading to completion of the requirements for licensure as a mental health professional

5.25 shall be reimbursed at 100 percent of the rate paid to a doctoral-prepared professional.

5.26 The individual providing the service under this paragraph must be under the clinical
 5.27 supervision of a fully qualified mental health professional.

5.28 (d) Medical assistance covers clinical supervision of mental health practitioners by a
 5.29 mental health professional when clinical supervision is required as part of other medical
 5.30 assistance services.

5.31 Sec. 6. Minnesota Statutes 2006, section 256B.0625, subdivision 43, is amended to
 5.32 read:

5.33 Subd. 43. **Mental health provider travel time.** Medical assistance covers provider
 5.34 travel time plus reimbursement for mileage if a recipient's individual treatment plan
 5.35 requires the provision of mental health services outside of the provider's normal place of

6.1 business. ~~This Reimbursement under this subdivision~~ does not include any travel time
6.2 which is included in other billable services, and is only covered when the mental health
6.3 service being provided to a recipient is covered under medical assistance.

6.4 Sec. 7. Minnesota Statutes 2006, section 256B.0625, subdivision 46, is amended to
6.5 read:

6.6 Subd. 46. **Mental health telemedicine.** Effective January 1, 2006, and subject to
6.7 federal approval, mental health services that are otherwise covered by medical assistance
6.8 as direct face-to-face services may be provided via two-way interactive video. Use of
6.9 two-way interactive video must be medically appropriate to the condition and needs
6.10 of the person being served. Reimbursement is at the same rates and under the same
6.11 conditions that would otherwise apply to the service and shall include payment for the
6.12 originating facility fee and the cost of broadband connections. The interactive video
6.13 equipment and connection must comply with Medicare standards in effect at the time
6.14 the service is provided.

6.15 Sec. 8. Minnesota Statutes 2006, section 256B.0625, is amended by adding a
6.16 subdivision to read:

6.17 Subd. 50. **Intensive mental health outpatient treatment.** (a) Medical assistance
6.18 covers intensive mental health outpatient treatment. Intensive mental health outpatient
6.19 treatment is a multimodal, therapeutic, and rehabilitative service that is provided for at
6.20 least two hours per day and at least nine to 20 hours per week. The service provides an
6.21 opportunity to combine existing covered services to deliver the necessary intensity and
6.22 frequency of services identified in the individual treatment plan. Components of intensive
6.23 mental health outpatient treatment include, but are not limited to:

6.24 (1) individual, family, or multifamily group psychotherapy or psychoeducational
6.25 services;

6.26 (2) adjunctive services such as medical monitoring, family psychoeducation,
6.27 behavioral parent training, rehabilitative services, medication education, relapse
6.28 prevention, illness management and recovery services, and care coordination; and

6.29 (3) service coordination and referral for medical care or social services.

6.30 (b) During transition into or from services, intensive outpatient treatment under
6.31 paragraph (a) may include time-limited services in multiple settings as clinically
6.32 necessary. The service must be paid as a per diem based on 90 percent of the rate paid
6.33 for partial hospitalization. Eligible providers must be licensed or certified to provide
6.34 all aspects of the service.

7.1 Sec. 9. Minnesota Statutes 2006, section 256B.0625, is amended by adding a
7.2 subdivision to read:

7.3 Subd. 51. **Care management.** Medical assistance covers up to six hours of service
7.4 per client per year, without authorization, of coordination and care management as a
7.5 component of children's therapeutic services and supports, adult rehabilitative mental
7.6 health services, or community mental health services. These services must be directed by
7.7 an individual treatment plan and are solely for the purpose of improving continuity and
7.8 access to appropriate and necessary services.

7.9 Sec. 10. Minnesota Statutes 2006, section 256B.0625, is amended by adding a
7.10 subdivision to read:

7.11 Subd. 52. **Collateral contacts.** Medical assistance covers up to six hours of service
7.12 per client per year of collateral contacts as a component of children's therapeutic services
7.13 and supports, adult rehabilitative mental health services, and community mental health
7.14 services. These services must be directed by an individual treatment plan, and are solely
7.15 for the purpose of assisting parents and others toward understanding, accommodating, and
7.16 better caregiving of the person with mental illness or emotional disturbance.

7.17 Sec. 11. Minnesota Statutes 2006, section 256B.0625, is amended by adding a
7.18 subdivision to read:

7.19 Subd. 53. **Mental health services; dual eligible clients.** Effective for services
7.20 rendered on or after January 1, 2008, medical assistance payments for community
7.21 mental health and psychiatry services provided to dual eligible clients shall be paid at
7.22 the Medicare reimbursement rate or at the medical assistance payment rate in effect on
7.23 January 1, 2008, whichever is greater.

7.24 Sec. 12. Minnesota Statutes 2006, section 256B.0943, subdivision 1, is amended to
7.25 read:

7.26 Subdivision 1. **Definitions.** For purposes of this section, the following terms have
7.27 the meanings given them.

7.28 (a) "Children's therapeutic services and supports" means the flexible package of
7.29 mental health services for children who require varying therapeutic and rehabilitative
7.30 levels of intervention. The services are time-limited interventions that are delivered using
7.31 various treatment modalities and combinations of services designed to reach treatment
7.32 outcomes identified in the individual treatment plan.

8.1 (b) "Clinical supervision" means the overall responsibility of the mental health
8.2 professional for the control and direction of individualized treatment planning, service
8.3 delivery, and treatment review for each client. A mental health professional who is an
8.4 enrolled Minnesota health care program provider accepts full professional responsibility
8.5 for a supervisee's actions and decisions, instructs the supervisee in the supervisee's work,
8.6 and oversees or directs the supervisee's work.

8.7 (c) "County board" means the county board of commissioners or board established
8.8 under sections 402.01 to 402.10 or 471.59.

8.9 (d) "Crisis assistance" has the meaning given in section 245.4871, subdivision 9a.

8.10 (e) "Culturally competent provider" means a provider who understands and can
8.11 utilize to a client's benefit the client's culture when providing services to the client. A
8.12 provider may be culturally competent because the provider is of the same cultural or
8.13 ethnic group as the client or the provider has developed the knowledge and skills through
8.14 training and experience to provide services to culturally diverse clients.

8.15 (f) "Day treatment program" for children means a site-based structured program
8.16 consisting of group psychotherapy for more than three individuals and other intensive
8.17 therapeutic services provided by a multidisciplinary team, under the clinical supervision
8.18 of a mental health professional.

8.19 (g) "Diagnostic assessment" has the meaning given in section 245.4871, subdivision
8.20 11.

8.21 (h) "Direct service time" means the time that a mental health professional, mental
8.22 health practitioner, or mental health behavioral aide spends face-to-face with a client
8.23 and the client's family. Direct service time includes time in which the provider obtains
8.24 a client's history or provides service components of children's therapeutic services and
8.25 supports. Direct service time does not include time doing work before and after providing
8.26 direct services, including scheduling, maintaining clinical records, consulting with others
8.27 about the client's mental health status, preparing reports, receiving clinical supervision
8.28 directly related to the client's psychotherapy session, and revising the client's individual
8.29 treatment plan.

8.30 (i) "Direction of mental health behavioral aide" means the activities of a mental
8.31 health professional or mental health practitioner in guiding the mental health behavioral
8.32 aide in providing services to a client. The direction of a mental health behavioral aide
8.33 must be based on the client's individualized treatment plan and meet the requirements in
8.34 subdivision 6, paragraph (b), clause (5).

9.1 (j) "Emotional disturbance" has the meaning given in section 245.4871, subdivision
 9.2 15. For persons at least age 18 but under age 21, mental illness has the meaning given in
 9.3 section 245.462, subdivision 20, paragraph (a).

9.4 (k) "Family psychoeducation" is a multimodal outpatient therapy and rehabilitative
 9.5 service that involves parents, families, and others as resources in the treatment, recovery,
 9.6 and improved functioning of a person with mental illness or emotional disturbance,
 9.7 in which families learn about the illness, family reactions, and types of treatment and
 9.8 supports. Families learn to develop skills to handle problems posed by mental illness
 9.9 including coping, managing stress, ensuring safety, creating social support, identifying
 9.10 resources, and supporting treatment and recovery goals. Services include family
 9.11 counseling, family treatment planning, and family support using cognitive, behavioral,
 9.12 problem-solving, and communication strategies, and may involve individual, family, and
 9.13 group intervention activities for consumers and families together, families only, or brief
 9.14 intermittent consultations at critical times in an episode of care. Eligible providers must
 9.15 be certified to provide both outpatient mental health services and rehabilitative services
 9.16 under sections 256B.0623 and 256B.0943.

9.17 (l) "Individual behavioral plan" means a plan of intervention, treatment, and services
 9.18 for a child written by a mental health professional or mental health practitioner, under
 9.19 the clinical supervision of a mental health professional, to guide the work of the mental
 9.20 health behavioral aide.

9.21 (†) (m) "Individual treatment plan" has the meaning given in section 245.4871,
 9.22 subdivision 21.

9.23 (†) (n) "Mental health professional" means an individual as defined in section
 9.24 245.4871, subdivision 27, clauses (1) to (5), or tribal vendor as defined in section 256B.02,
 9.25 subdivision 7, paragraph (b).

9.26 (†) (o) "Preschool program" means a day program licensed under Minnesota Rules,
 9.27 parts 9503.0005 to 9503.0175, and enrolled as a children's therapeutic services and
 9.28 supports provider to provide a structured treatment program to a child who is at least 33
 9.29 months old but who has not yet attended the first day of kindergarten.

9.30 (†) (p) "Skills training" means individual, family, or group training designed to
 9.31 improve the basic functioning of the child with emotional disturbance and the child's
 9.32 family in the activities of daily living and community living, and to improve the social
 9.33 functioning of the child and the child's family in areas important to the child's maintaining
 9.34 or reestablishing residency in the community. Individual, family, and group skills training
 9.35 must:

10.1 (1) consist of activities designed to promote skill development of the child and the
 10.2 child's family in the use of age-appropriate daily living skills, interpersonal and family
 10.3 relationships, and leisure and recreational services;

10.4 (2) consist of activities that will assist the family's understanding of normal child
 10.5 development and to use parenting skills that will help the child with emotional disturbance
 10.6 achieve the goals outlined in the child's individual treatment plan; and

10.7 (3) promote family preservation and unification, promote the family's integration
 10.8 with the community, and reduce the use of unnecessary out-of-home placement or
 10.9 institutionalization of children with emotional disturbance.

10.10 Sec. 13. Minnesota Statutes 2006, section 256B.0943, subdivision 2, is amended to
 10.11 read:

10.12 Subd. 2. **Covered service components of children's therapeutic services and**
 10.13 **supports.** (a) Subject to federal approval, medical assistance covers medically necessary
 10.14 children's therapeutic services and supports as defined in this section that an eligible
 10.15 provider entity under subdivisions 4 and 5 provides to a client eligible under subdivision 3.

10.16 (b) The service components of children's therapeutic services and supports are:

10.17 (1) individual, family, ~~and~~ group psychotherapy, and family psychoeducation;

10.18 (2) individual, family, or group skills training provided by a mental health
 10.19 professional or mental health practitioner;

10.20 (3) crisis assistance;

10.21 (4) mental health behavioral aide services; ~~and~~

10.22 (5) direction of a mental health behavioral aide;

10.23 (6) coordination and care management; and

10.24 (7) collateral contacts.

10.25 (c) Service components may be combined to constitute therapeutic programs,
 10.26 including day treatment programs and preschool programs. Although day treatment and
 10.27 preschool programs have specific client and provider eligibility requirements, medical
 10.28 assistance only pays for the service components listed in paragraph (b).

10.29 Sec. 14. Minnesota Statutes 2006, section 256B.0943, is amended by adding a
 10.30 subdivision to read:

10.31 Subd. 11a. **Reimbursement of diagnostic assessments.** A diagnostic assessment
 10.32 under this section must be reimbursed at the same rate as a diagnostic assessment under
 10.33 section 256B.49, subdivision 14.

11.1 Sec. 15. Minnesota Statutes 2006, section 256B.69, subdivision 5g, is amended to read:

11.2 Subd. 5g. **Payment for covered services.** For services rendered on or after January
11.3 1, 2003, the total payment made to managed care plans for providing covered services
11.4 under the medical assistance and general assistance medical care programs is reduced by
11.5 .5 percent from their current statutory rates. This provision excludes payments for nursing
11.6 home services, home and community-based waivers, and payments to demonstration
11.7 projects for persons with disabilities, and mental health services added as covered benefits
11.8 after December 31, 2007.

11.9 Sec. 16. Minnesota Statutes 2006, section 256B.69, subdivision 5h, is amended to read:

11.10 Subd. 5h. **Payment reduction.** In addition to the reduction in subdivision 5g,
11.11 the total payment made to managed care plans under the medical assistance program is
11.12 reduced 1.0 percent for services provided on or after October 1, 2003, and an additional
11.13 1.0 percent for services provided on or after January 1, 2004. This provision excludes
11.14 payments for nursing home services, home and community-based waivers, ~~and~~ payments
11.15 to demonstration projects for persons with disabilities, and mental health services added as
11.16 covered benefits after December 1, 2007.

11.17 Sec. 17. Minnesota Statutes 2006, section 256B.761, is amended to read:

11.18 **256B.761 REIMBURSEMENT FOR MENTAL HEALTH SERVICES.**

11.19 (a) Effective for services rendered on or after July 1, ~~2001~~ 2007, payment for
11.20 medication management provided to psychiatric patients, outpatient mental health
11.21 services, day treatment services, home-based mental health services, and family
11.22 community support services shall be paid at the lower of (1) submitted charges, or (2) 75.6
11.23 percent of the 50th percentile of 1999 charges.

11.24 (b) Effective July 1, 2001, the medical assistance rates for outpatient mental health
11.25 services provided by an entity that operates: (1) a Medicare-certified comprehensive
11.26 outpatient rehabilitation facility; and (2) a facility that was certified prior to January 1,
11.27 1993, with at least 33 percent of the clients receiving rehabilitation services in the most
11.28 recent calendar year who are medical assistance recipients, will be increased by 38 percent,
11.29 when those services are provided within the comprehensive outpatient rehabilitation
11.30 facility and provided to residents of nursing facilities owned by the entity.

11.31 (c) Notwithstanding section 256B.03, subdivision 1, effective July 1, 2007, the
11.32 medical assistance payment rates for mental health services provided by mental health
11.33 professionals shall be determined by using the average usual and customary charge of
11.34 the doctoral-prepared professionals only.

12.1 Sec. 18. Minnesota Statutes 2006, section 256B.763, is amended to read:

12.2 **256B.763 CRITICAL ACCESS MENTAL HEALTH RATE INCREASE.**

12.3 (a) For services defined in paragraph (b) and rendered on or after July 1, 2007,
12.4 payment rates shall be increased by 23.7 percent over the rates in effect on January 1,
12.5 2006, for:

12.6 (1) psychiatrists and advanced practice registered nurses with a psychiatric specialty;

12.7 (2) community mental health centers under section 256B.0625, subdivision 5; ~~and~~

12.8 (3) mental health clinics and centers certified under Minnesota Rules, parts
12.9 9520.0750 to 9520.0870, or hospital outpatient psychiatric departments that are designated
12.10 as essential community providers under section 62Q.19; and

12.11 (4) providers of individual and group skills training, individual and group
12.12 psychotherapy, diagnostic assessments, and other services when provided as a component
12.13 of children's therapeutic services and support.

12.14 (b) This increase applies to group skills training when provided as a component of
12.15 children's therapeutic services and support, psychotherapy, medication management,
12.16 evaluation and management, diagnostic assessment, explanation of findings, psychological
12.17 testing, neuropsychological services, direction of behavioral aides, and inpatient
12.18 consultation.

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

12.23 (d) The commissioner shall adjust rates paid to prepaid health plans under contract
12.24 with the commissioner to reflect the rate increases provided in paragraph (a). The prepaid
12.25 health plan must pass this rate increase to the providers identified in paragraph (a).

12.26 Sec. 19. Minnesota Statutes 2006, section 256L.12, subdivision 9a, is amended to read:

12.27 Subd. 9a. **Rate setting; ratable reduction.** For services rendered on or after
12.28 October 1, 2003, the total payment made to managed care plans under the MinnesotaCare
12.29 program is reduced 1.0 percent. This provision excludes payments for mental health
12.30 services added as covered benefits after December 31, 2007.

12.31 Sec. 20. **DUAL DIAGNOSIS; DEMONSTRATION PROJECT.**

12.32 (a) The commissioner of human services shall fund demonstration projects for high
12.33 risk adults with serious mental illness and co-occurring substance abuse problems. The
12.34 projects must include, but not be limited to, the following:

13.1 (1) housing services, including rent or housing subsidies, housing with clinical
 13.2 staff, or housing support;

13.3 (2) assertive outreach services; and

13.4 (3) intensive direct therapeutic, rehabilitative, and care management services
 13.5 oriented to harm reduction.

13.6 (b) The commissioner shall work with housing providers to ensure proper licensure
 13.7 to meet medical assistance or third party payor reimbursement requirements.

13.8 **Sec. 21. EVIDENCE-BASED PRACTICE.**

13.9 The commissioner of human services shall make a onetime consultation with
 13.10 stakeholder groups and make budget-neutral changes to medical assistance coverage and
 13.11 benefits to implement evidence-based practices as defined by the Agency for Healthcare
 13.12 Research and Quality Practice Guidelines.

13.13 **Sec. 22. MENTAL HEALTH SERVICES PROVIDER RATE INCREASES.**

13.14 (a) The commissioner of human services shall increase reimbursement rates or
 13.15 rate limits, as applicable, by 2.2553 percent for the rate period beginning October 1,
 13.16 2007, and the rate period beginning October 1, 2008, effective for services rendered on
 13.17 or after those dates.

13.18 (b) The 2.2553 percent annual rate increase described in this section must be
 13.19 provided to:

13.20 (1) children's therapeutic services and supports under section 256B.0943; and

13.21 (2) adult rehabilitative mental health services under section 256B.0623.

13.22 (c) Providers that receive a rate increase under this section shall use 75 percent of
 13.23 the additional revenue to increase wages and benefits and pay associated costs for all
 13.24 employees, except for management fees, the administrator, and central office staffs.

13.25 (d) For public employees, the increase for wages and benefits for certain staff is
 13.26 available and pay rates shall be increased only to the extent that they comply with laws
 13.27 governing public employees collective bargaining. Money received by a provider for pay
 13.28 increases under this section may be used only for increases implemented on or after the
 13.29 first day of the rate period in which the increase is available and must not be used for
 13.30 increases implemented prior to that date.

13.31 (e) A copy of the provider's plan for complying with paragraph (c) must be made
 13.32 available to all employees by giving each employee a copy or by posting a copy in an area
 13.33 of the provider's operation to which all employees have access. If an employee does not
 13.34 receive the adjustment, if any, described in the plan and is unable to resolve the problem

14.1 with the provider, the employee may contact the employee's union representative. If the
 14.2 employee is not covered by a collective bargaining agreement, the employee may contact
 14.3 the commissioner at a telephone number provided by the commissioner and included in
 14.4 the provider's plan.

14.5 **Sec. 23. TELEHEALTH.**

14.6 Subdivision 1. **Services.** The commissioner of administration in consultation with
 14.7 the commissioner of human services shall provide televideo conferencing at no cost to the
 14.8 providers between:

14.9 (1) state and county agency sites; and

14.10 (2) community providers or association of community providers sites.

14.11 Subd 2. **Eligibility.** Community providers eligible for the televideo conferencing
 14.12 are those enrolled as medical assistance providers or under contract with counties to
 14.13 provide services under Minnesota Statutes, sections 245.461 to 245.486, the Minnesota
 14.14 Comprehensive Adult Mental Health Act; Minnesota Statutes, sections 245.4712 to
 14.15 245.4861, community support and day treatment services; or Minnesota Statutes, sections
 14.16 245.487 to 245.4887, the Minnesota Comprehensive Children's Mental Health Act.

14.17 **Sec. 24. APPROPRIATIONS.**

14.18 Subdivision 1. **Community mental health programs.** \$..... is appropriated in
 14.19 fiscal year 2008 from the general fund to the commissioner of human services to contract
 14.20 for training and consultation for clinical supervisors and staff of community mental health
 14.21 centers who provide services to children and adults. The purpose of the training and
 14.22 consultation is to improve clinical supervision of staff, strengthen compliance with federal
 14.23 and state rules and regulations, and to recommend strategies for standardization and
 14.24 simplification of administrative functions among community mental health centers.

14.25 Subd. 2. **Dual diagnosis; demonstration project.** \$..... in fiscal year 2008 and
 14.26 \$..... in fiscal year 2009 are appropriated from the general fund to the commissioner of
 14.27 human services to fund the demonstration projects under section 20.

14.28 Subd. 3. **Telehealth.** \$..... in fiscal year 2008 and \$..... in fiscal year 2009 are
 14.29 appropriated from the general fund to the commissioner of administration to provide
 14.30 televideo conferencing under section 23.