

1.1 ..... moves to amend H.F. No. 1005 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2024, section 256B.0757, is amended by adding a  
1.4 subdivision to read:

1.5 Subd. 5a. **Payments for behavioral health home services.** (a) Notwithstanding  
1.6 subdivision 5, the commissioner must implement a single statewide per member per month  
1.7 reimbursement rate for behavioral health home services under this section. The rate must  
1.8 be no less than \$425. The commissioner must adjust the reimbursement rate for behavioral  
1.9 health home services annually according to the change from the midpoint of the previous  
1.10 rate year to the midpoint of the rate year for which the rate is being determined using the  
1.11 Centers for Medicare and Medicaid Services Medicare Economic Index as forecasted in  
1.12 the fourth quarter of the calendar year before the rate year.

1.13 (b) The commissioner must review and update the behavioral health home services rate  
1.14 under paragraph (a) at least every four years. The updated rate must account for the average  
1.15 hours required for behavioral health home team members spent providing services and the  
1.16 Department of Labor prevailing wage required for behavioral health home team members.  
1.17 The updated rate must ensure that behavioral health home services rates are sufficient to  
1.18 allow providers to meet required certification, training, service delivery, and practice  
1.19 transformation standards and staff qualification requirements.

1.20 (c) Managed care plans and county-based purchasing plans must reimburse providers  
1.21 at an amount that is at least equal to the fee-for-service rate for services under this section.  
1.22 The commissioner must monitor the effect of this rate increase on enrollee access to services  
1.23 under this section. If for any contract year federal approval is not received for this paragraph,  
1.24 the commissioner must adjust the capitation rates paid to managed care plans and  
1.25 county-based purchasing plans for that contract year to reflect the removal of this paragraph.

2.1 Contracts between managed care plans and county-based purchasing plans and providers  
 2.2 to whom this paragraph applies must allow recovery of payments from those providers if  
 2.3 capitation rates are adjusted in accordance with this paragraph. Payment recoveries must  
 2.4 not exceed the amount equal to any increase in rates that results from this paragraph.

2.5 (d) This section is effective January 1, 2028, or upon federal approval, whichever is  
 2.6 later.

2.7 Sec. 2. Minnesota Statutes 2024, section 256B.76, subdivision 1, is amended to read:

2.8 Subdivision 1. ~~Physician and professional services Reimbursement adjustments.~~ (a)  
 2.9 ~~Effective for services rendered on or after October 1, 1992, the commissioner shall make~~  
 2.10 ~~payments for physician services as follows:~~

2.11 ~~(1) payment for level one Centers for Medicare and Medicaid Services' common~~  
 2.12 ~~procedural coding system codes titled "office and other outpatient services," "preventive~~  
 2.13 ~~medicine new and established patient," "delivery, antepartum, and postpartum care," "critical~~  
 2.14 ~~care," cesarean delivery and pharmacologic management provided to psychiatric patients,~~  
 2.15 ~~and level three codes for enhanced services for prenatal high risk, shall be paid at the lower~~  
 2.16 ~~of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992;~~

2.17 ~~(2) payments for all other services shall be paid at the lower of (i) submitted charges,~~  
 2.18 ~~or (ii) 15.4 percent above the rate in effect on June 30, 1992; and~~

2.19 ~~(3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th~~  
 2.20 ~~percentile of 1989, less the percent in aggregate necessary to equal the above increases~~  
 2.21 ~~except that payment rates for home health agency services shall be the rates in effect on~~  
 2.22 ~~September 30, 1992.~~

2.23 ~~(b) Effective for services rendered on or after January 1, 2000, payment rates for physician~~  
 2.24 ~~and professional services shall be increased by three percent over the rates in effect on~~  
 2.25 ~~December 31, 1999, except for home health agency and family planning agency services.~~  
 2.26 ~~The increases in this paragraph shall be implemented January 1, 2000, for managed care.~~

2.27 ~~(c) Effective for services rendered on or after July 1, 2009, payment rates for physician~~  
 2.28 ~~and professional services shall be reduced by five percent, except that for the period July~~  
 2.29 ~~1, 2009, through June 30, 2010, payment rates shall be reduced by 6.5 percent for the medical~~  
 2.30 ~~assistance and general assistance medical care programs, over the rates in effect on June~~  
 2.31 ~~30, 2009. This reduction and the reductions in paragraph (d) do not apply to office or other~~  
 2.32 ~~outpatient visits, preventive medicine visits and family planning visits billed by physicians,~~  
 2.33 ~~advanced practice registered nurses, or physician assistants in a family planning agency or~~

3.1 ~~in one of the following primary care practices: general practice, general internal medicine,~~  
3.2 ~~general pediatrics, general geriatrics, and family medicine. This reduction and the reductions~~  
3.3 ~~in paragraph (d) do not apply to federally qualified health centers, rural health centers, and~~  
3.4 ~~Indian health services. Effective October 1, 2009, payments made to managed care plans~~  
3.5 ~~and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall~~  
3.6 ~~reflect the payment reduction described in this paragraph.~~

3.7 ~~(d) Effective for services rendered on or after July 1, 2010, payment rates for physician~~  
3.8 ~~and professional services shall be reduced an additional seven percent over the five percent~~  
3.9 ~~reduction in rates described in paragraph (c). This additional reduction does not apply to~~  
3.10 ~~physical therapy services, occupational therapy services, and speech pathology and related~~  
3.11 ~~services provided on or after July 1, 2010. This additional reduction does not apply to~~  
3.12 ~~physician services billed by a psychiatrist or an advanced practice registered nurse with a~~  
3.13 ~~specialty in mental health. Effective October 1, 2010, payments made to managed care plans~~  
3.14 ~~and county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall~~  
3.15 ~~reflect the payment reduction described in this paragraph.~~

3.16 ~~(e) Effective for services rendered on or after September 1, 2011, through June 30, 2013,~~  
3.17 ~~payment rates for physician and professional services shall be reduced three percent from~~  
3.18 ~~the rates in effect on August 31, 2011. This reduction does not apply to physical therapy~~  
3.19 ~~services, occupational therapy services, and speech pathology and related services.~~

3.20 ~~(f) Effective for services rendered on or after September 1, 2014, payment rates for~~  
3.21 ~~physician and professional services, including physical therapy, occupational therapy, speech~~  
3.22 ~~pathology, and mental health services shall be increased by five percent from the rates in~~  
3.23 ~~effect on August 31, 2014. In calculating this rate increase, the commissioner shall not~~  
3.24 ~~include in the base rate for August 31, 2014, the rate increase provided under section~~  
3.25 ~~256B.76, subdivision 7. This increase does not apply to federally qualified health centers,~~  
3.26 ~~rural health centers, and Indian health services. Payments made to managed care plans and~~  
3.27 ~~county-based purchasing plans shall not be adjusted to reflect payments under this paragraph.~~

3.28 ~~(g)~~ (a) Effective for services rendered on or after July 1, 2015, payment rates for physical  
3.29 therapy, occupational therapy, and speech pathology and related services provided by a  
3.30 hospital meeting the criteria specified in section 62Q.19, subdivision 1, paragraph (a), clause  
3.31 (4), shall be increased by 90 percent from the rates in effect on June 30, 2015. Payments  
3.32 made to managed care plans and county-based purchasing plans shall not be adjusted to  
3.33 reflect payments under this paragraph.

4.1 ~~(h)~~ (b) Any ratables effective before July 1, 2015, do not apply to early intensive  
4.2 developmental and behavioral intervention (EIDBI) benefits described in section 256B.0949.

4.3 ~~(i)~~ (c) The commissioner may reimburse physicians and other licensed professionals for  
4.4 costs incurred to pay the fee for testing newborns who are medical assistance enrollees for  
4.5 heritable and congenital disorders under section 144.125, subdivision 1, paragraph (c), when  
4.6 the sample is collected outside of an inpatient hospital or freestanding birth center and the  
4.7 cost is not recognized by another payment source.

4.8 **EFFECTIVE DATE.** This section is effective January 1, 2026, or upon federal approval,  
4.9 whichever is later. The commissioner of human services shall notify the revisor of statutes  
4.10 when federal approval is obtained.

4.11 Sec. 3. Minnesota Statutes 2024, section 256B.76, subdivision 6, is amended to read:

4.12 Subd. 6. **Medicare relative value units.** ~~(a) Effective for services rendered on or after~~  
4.13 ~~January 1, 2007,~~ The commissioner shall make payments for physician and professional  
4.14 services based on the Medicare relative value units (RVUs). ~~This change shall be budget~~  
4.15 ~~neutral and the cost of implementing RVUs will be incorporated in the established conversion~~  
4.16 ~~factor.~~ For the purposes of this subdivision, "physician and professional services" means  
4.17 services covered under medical assistance for which reimbursement rates and procedure  
4.18 codes are included in the most recent Medicare Physician Fee Schedule final rule issued by  
4.19 the Centers for Medicare and Medicaid Services in effect at the time the service was rendered.

4.20 (b) Effective for services rendered on or after January 1, 2025, rates for mental health  
4.21 services reimbursed under the resource-based relative value scale (RBRVS) must be equal  
4.22 to 83 percent of the Medicare Physician Fee Schedule. This paragraph expires on the date  
4.23 that paragraph (c) becomes effective.

4.24 (c) Effective January 1, 2026, or upon federal approval, whichever is later, and effective  
4.25 for services rendered on or after January 1, 2026, or the date of federal approval, whichever  
4.26 is later, rates for all physician and professional services must be at least equal to 100 percent  
4.27 of the Medicare Physician Fee Schedule.

4.28 ~~(e) Effective for services rendered on or after January 1, 2025,~~ (d) The commissioner  
4.29 shall increase capitation payments made to managed care plans and county-based purchasing  
4.30 plans to reflect the rate increases provided under this subdivision. Managed care plans and  
4.31 county-based purchasing plans must ~~use the capitation rate increase provided under this~~  
4.32 ~~paragraph to increase payment rates to the providers corresponding to the rate increases~~  
4.33 reimburse providers at an amount that is at least equal to the fee-for-service rate for services

5.1 under this subdivision. The commissioner must monitor the effect of this rate increase on  
5.2 enrollee access to services under this subdivision. If for any contract year federal approval  
5.3 is not received for this paragraph, the commissioner must adjust the capitation rates paid to  
5.4 managed care plans and county-based purchasing plans for that contract year to reflect the  
5.5 removal of this paragraph. Contracts between managed care plans and county-based  
5.6 purchasing plans and providers to whom this paragraph applies must allow recovery of  
5.7 payments from those providers if capitation rates are adjusted in accordance with this  
5.8 paragraph. Payment recoveries must not exceed the amount equal to any increase in rates  
5.9 that results from this paragraph.

5.10 (e) This subdivision does not apply to federally qualified health centers, rural health  
5.11 centers, Indian health services, certified community behavioral health clinics, cost-based  
5.12 rates, and rates that are negotiated with the county.

5.13 **EFFECTIVE DATE.** Unless otherwise stated, this section is effective January 1, 2026,  
5.14 or upon federal approval, whichever is later. The commissioner of human services shall  
5.15 notify the revisor of statutes when federal approval is obtained.

5.16 Sec. 4. Minnesota Statutes 2024, section 256B.761, is amended to read:

5.17 **256B.761 REIMBURSEMENT FOR MENTAL HEALTH SERVICES.**

5.18 (a) Effective for services rendered on or after July 1, 2001, payment for medication  
5.19 management provided to psychiatric patients, outpatient mental health services, day treatment  
5.20 services, home-based mental health services, and family community support services shall  
5.21 be paid at the lower of (1) submitted charges, or (2) 75.6 percent of the 50th percentile of  
5.22 1999 charges.

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

5.30 (c) In addition to rate increases otherwise provided, the commissioner may restructure  
5.31 coverage policy and rates to improve access to adult rehabilitative mental health services  
5.32 under section 256B.0623 and related mental health support services under section 256B.021,  
5.33 subdivision 4, paragraph (f), clause (2). For state fiscal years 2015 and 2016, the projected

6.1 state share of increased costs due to this paragraph is transferred from adult mental health  
6.2 grants under sections 245.4661 and 256K.10. The transfer for fiscal year 2016 is a permanent  
6.3 base adjustment for subsequent fiscal years. Payments made to managed care plans and  
6.4 county-based purchasing plans under sections 256B.69, 256B.692, and 256L.12 shall reflect  
6.5 the rate changes described in this paragraph.

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

6.8 ~~(e) Effective for services rendered on or after January 1, 2024, payment rates for~~  
6.9 ~~behavioral health services included in the rate analysis required by Laws 2021, First Special~~  
6.10 ~~Session chapter 7, article 17, section 18, except for adult day treatment services under section~~  
6.11 ~~256B.0671, subdivision 3; early intensive developmental and behavioral intervention services~~  
6.12 ~~under section 256B.0949; and substance use disorder services under chapter 254B, must be~~  
6.13 ~~increased by three percent from the rates in effect on December 31, 2023. Effective for~~  
6.14 ~~services rendered on or after January 1, 2025, payment rates for behavioral health services~~  
6.15 ~~included in the rate analysis required by Laws 2021, First Special Session chapter 7, article~~  
6.16 ~~17, section 18; early intensive developmental behavioral intervention services under section~~  
6.17 ~~256B.0949; and substance use disorder services under chapter 254B, must be annually~~  
6.18 ~~adjusted according to the change from the midpoint of the previous rate year to the midpoint~~  
6.19 ~~of the rate year for which the rate is being determined using the Centers for Medicare and~~  
6.20 ~~Medicaid Services Medicare Economic Index as forecasted in the fourth quarter of the~~  
6.21 ~~calendar year before the rate year. For payments made in accordance with this paragraph,~~  
6.22 ~~if and to the extent that the commissioner identifies that the state has received federal~~  
6.23 ~~financial participation for behavioral health services in excess of the amount allowed under~~  
6.24 ~~United States Code, title 42, section 447.321, the state shall repay the excess amount to the~~  
6.25 ~~Centers for Medicare and Medicaid Services with state money and maintain the full payment~~  
6.26 ~~rate under this paragraph. This paragraph does not apply to federally qualified health centers,~~  
6.27 ~~rural health centers, Indian health services, certified community behavioral health clinics,~~  
6.28 ~~cost-based rates, and rates that are negotiated with the county. This paragraph expires upon~~  
6.29 ~~legislative implementation of the new rate methodology resulting from the rate analysis~~  
6.30 ~~required by Laws 2021, First Special Session chapter 7, article 17, section 18.~~

6.31 (e) Effective for services rendered on or after January 1, 2026, or the date of federal  
6.32 approval, whichever is later, payment rates for the following services must be no lower than  
6.33 the payments rates recommended in the rate analysis required by Laws 2021, First Special  
6.34 Session chapter 7, article 17, section 18, and published by the Department of Human Services  
6.35 on January 22, 2024:

7.1 (1) components of children's therapeutic services and supports that are not included  
7.2 under section 256B.76, subdivision 6;

7.3 (2) child and family psychoeducation services under section 256B.0671, subdivision 5;  
7.4 and

7.5 (3) mental health certified family peer specialist services under section 256B.0616.

7.6 When implementing this paragraph, the commissioner must not reduce any payment rate  
7.7 below the rate in effect on December 31, 2025.

7.8 (f) Effective for services rendered on or after January 1, 2027, or the date of federal  
7.9 approval, whichever is later, payment rates for behavioral health services included in the  
7.10 rate analysis required by Laws 2021, First Special Session chapter 7, article 17, section 18,  
7.11 must be no less than the payments rates recommended in the rate analysis published by the  
7.12 Department of Human Services on January 22, 2024. This paragraph does not apply to:

7.13 (1) early intensive developmental and behavioral intervention services under section  
7.14 256B.0949;

7.15 (2) behavioral health home services under section 256B.0757;

7.16 (3) substance use disorder services under chapter 254B;

7.17 (4) services listed under paragraph (a); and

7.18 (5) services receiving rates established under section 256B.76, subdivision 6.

7.19 When implementing this paragraph, the commissioner must not reduce any payment rate  
7.20 below the rate in effect on December 31, 2025.

7.21 ~~(f) Effective January 1, 2024,~~ (g) The commissioner shall ~~increase~~ adjust capitation  
7.22 payments made to managed care plans and county-based purchasing plans to reflect the  
7.23 behavioral health service ~~rate increase~~ rates provided in ~~paragraph (e)~~ paragraphs (e) and  
7.24 (f). Managed care and county-based purchasing plans must use the capitation rate increase  
7.25 ~~provided under this paragraph to increase payment rates to behavioral health services~~  
7.26 ~~providers~~ reimburse providers at an amount that is at least equal to the fee-for-service rate  
7.27 for services under this subdivision. The commissioner must monitor the effect of this rate  
7.28 increase on enrollee access to behavioral health services. If for any contract year federal  
7.29 approval is not received for this paragraph, the commissioner must adjust the capitation  
7.30 rates paid to managed care plans and county-based purchasing plans for that contract year  
7.31 to reflect the removal of this provision. Contracts between managed care plans and  
7.32 county-based purchasing plans and providers to whom this paragraph applies must allow

8.1 recovery of payments from those providers if capitation rates are adjusted in accordance  
8.2 with this paragraph. Payment recoveries must not exceed the amount equal to any increase  
8.3 in rates that results from this provision.

8.4 (h) The commissioner must adjust the reimbursement rate for services under this  
8.5 subdivision annually according to the change from the midpoint of the previous rate year  
8.6 to the midpoint of the rate year for which the rate is being determined using the Centers for  
8.7 Medicare and Medicaid Services Medicare Economic Index as forecasted in the fourth  
8.8 quarter of the calendar year before the rate year.

8.9 (i) This subdivision does not apply to federally qualified health centers, rural health  
8.10 centers, Indian health services, certified community behavioral health clinics, cost-based  
8.11 rates, and rates that are negotiated with the county.

8.12 **EFFECTIVE DATE.** Unless otherwise stated, this section is effective January 1, 2026,  
8.13 or upon federal approval of the amendments to Minnesota Statutes, section 256B.76,  
8.14 subdivision 6, whichever is later. The commissioner of human services shall notify the  
8.15 revisor of statutes when federal approval is obtained.

8.16 **Sec. 5. BASE ADJUSTMENT FOR INPATIENT HOSPITAL BEHAVIORAL**  
8.17 **HEALTH SERVICES.**

8.18 The general fund base for the commissioner of human services is increased by  
8.19 \$10,000,000 in fiscal year 2028 and \$10,000,000 in fiscal year 2029. This amount is for  
8.20 increased rates for inpatient behavioral health services provided by hospitals identified  
8.21 under Minnesota Statutes, section 256.969, subdivision 2b, paragraph (a), clause (4). The  
8.22 commissioner must increase payment rates by increasing the adjustment under Minnesota  
8.23 Statutes, section 256.969, subdivision 2b, paragraph (e), clause (2).

8.24 **Sec. 6. REPEALER.**

8.25 Minnesota Statutes 2024, section 256B.0625, subdivision 38, is repealed.

8.26 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval  
8.27 of this section and the amendments to Minnesota Statutes, section 256B.76, subdivision 6,  
8.28 and Minnesota Statutes, section 256B.761, whichever is later. The commissioner of human  
8.29 services shall notify the revisor of statutes when federal approval is obtained."

8.30 Amend the title accordingly