

Subject Medical assistance rates – outpatient mental health services

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Overview

The Minnesota Health Care Programs (MHCP) Outpatient Services Rates Study was required in Laws 2021, First Special Session chapter 7, article 17, section 18, for all outpatient (community-based) services in medical assistance (MA) and MinnesotaCare, including rates for behavioral health, substance use disorder treatment, and residential substance use disorder treatment. The Department of Human Services published the second report on the study on January 22, 2024, recommending a rate framework for outpatient services covered by medical assistance.

This bill requires the commissioner of human services to implement the recommended rates for specified community-based mental health services covered by MA. The bill also increases all resource-based relative value scale (RBRVS) physician and professional services rates to at least 100 percent of Medicare rates, increases and standardizes behavioral health home monthly rates, provides base funding to increase MA reimbursement rates for inpatient hospital behavioral health services, and removes the provision-setting payments for mental health services provided by masters-prepared mental health professionals at 80 percent of the rate paid to doctoral-prepared professionals.

Summary

Section	Description
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| 1 | Payments for behavioral health home services.
Amends § 256B.0757 by adding subd. 5. Requires the commissioner to implement a single statewide per member per month rate of at least \$425 for behavioral health home services, to be adjusted annually for inflation as specified. |
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Section	Description
	<p>Requires the commissioner to review and update the behavioral health home services rate at least every four years. Specifies factors that the commissioner must account for in the updated rate.</p>
	<p>Requires managed care plans and county-based purchasing plans to reimburse providers at an amount that is at least equal to the fee-for-service rate for services under section 256B.0757. Requires the commissioner to monitor the effect of this rate increase on enrollee access to behavioral health home services. Specifies rate recovery process requirements if federal approval is not received.</p>
	<p>Makes this subdivision effective January 1, 2028, or upon federal approval, whichever is later.</p>
2	<p>Reimbursement adjustments. Amends § 256B.76, subd. 1. Removes historical physician and professional services rate provisions.</p>
	<p>Makes this subdivision effective January 1, 2026, or upon federal approval, whichever is later.</p>
3	<p>Medicare relative value units. Amends § 256B.76, subd. 6. Defines “physician and professional services” for purposes of the subdivision, to mean services covered under MA for which reimbursement rates and procedure codes are included in the most recent Medicare Physician Fee Schedule final rule.</p>
	<p>Provides that paragraph (b) expires when paragraph (c) goes into effect. Adds new paragraph (c), which provides that for services rendered on or after January 1, 2026, or upon federal approval, rates for physician and professional services must be at least equal to 100 percent of the rates in the Medicare Physician Fee Schedule.</p>
	<p>Paragraph (d) requires managed care plans and county-based purchasing plans to reimburse providers in an amount that is at least equal to the fee-for-service rate under this subdivision.</p>
	<p>Paragraph (e) exempts federally qualified health centers, rural health centers, Indian health services, certified community behavioral health clinics, cost-based rates, and rates that are negotiated with the county from the rates established under this subdivision.</p>
	<p>Makes this subdivision effective January 1, 2026, or upon federal approval, whichever is later.</p>

Section	Description
4	<p data-bbox="318 264 886 289">Reimbursement for mental health services.</p> <p data-bbox="318 310 1414 611">Amends § 256B.761. Removes paragraph (e), which provided for a three percent rate increase for specified outpatient mental health services. Replaces it with new paragraph (e), which requires, effective January 1, 2026, or upon federal approval, payment rates for listed services to be no lower than the rates recommended in the DHS Minnesota Health Care Programs Outpatient Services Rates Study. Services under this paragraph are: components of children's therapeutic services and supports that are not included under section 256B.76, subdivision 6; child and family psychoeducation services; and mental health certified family peer specialist services.</p> <p data-bbox="318 653 1414 800">Adds paragraph (f), requiring, effective January 1, 2027, or upon federal approval, payment rates for all included behavioral health services to be no lower than the rates recommended in the DHS Minnesota Health Care Programs Outpatient Services Rates Study. Specifies services to which the rate requirement does not apply.</p> <p data-bbox="318 842 1414 947">Within paragraph (g), makes conforming changes and requires managed care plans and county-based purchasing plans to reimburse providers in an amount that is at least equal to the fee-for-service rate under this subdivision.</p> <p data-bbox="318 989 1414 1052">Adds paragraph (h), requiring the commissioner to annually adjust the rates under this subdivision for inflation, as specified.</p> <p data-bbox="318 1094 1414 1241">Paragraph (i) exempts federally qualified health centers, rural health centers, Indian health services, certified community behavioral health clinics, cost-based rates, and rates that are negotiated with the county from the rates established under this subdivision.</p> <p data-bbox="318 1283 1414 1346">Makes this section effective January 1, 2026, or upon federal approval of specified amendments, unless otherwise stated.</p>
5	<p data-bbox="318 1398 1187 1423">Base adjustment for inpatient hospital behavioral health services.</p> <p data-bbox="318 1444 1414 1545">Increases the general fund base for the commissioner of human services by \$10,000,00 in fiscal year 2028 and \$10,000,000 in fiscal year 2029 for increased rates for inpatient hospital behavioral health services.</p>
6	<p data-bbox="318 1598 440 1623">Repealer.</p> <p data-bbox="318 1644 1414 1749">Repeals Minnesota Statutes, § 256B.0625, subd. 38 (payments for mental health services provided by masters-prepared mental health professionals set at 80 percent of the rate paid to doctoral-prepared professionals).</p> <p data-bbox="318 1791 1414 1854">Makes this section effective January 1, 2027, or upon federal approval of this section and specified amendments to other sections.</p>



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