

1.1 Senator moves to amend S.F. No. 4710 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2025, section 254B.02, is amended by adding a subdivision
1.4 to read:

1.5 Subd. 4a. **Local agency allocation.** (a) The commissioner may make payments to local
1.6 agencies from money allocated under this section to support individuals with substance use
1.7 disorders and determine eligibility for behavioral health fund payments. The payment must
1.8 not be less than 133 percent of the local agency payment for the fiscal year ending June 30,
1.9 2009, adjusted in proportion to the statewide change in the appropriation for this chapter.

1.10 (b) This subdivision expires July 1, 2027.

1.11 **EFFECTIVE DATE.** This section is effective July 1, 2026.

1.12 Sec. 2. Minnesota Statutes 2025 Supplement, section 254B.03, subdivision 1, is amended
1.13 to read:

1.14 Subdivision 1. **Financial eligibility determinations.** (a) Effective July 1, 2027, the
1.15 commissioner of human services or Tribal Nation servicing agencies must determine financial
1.16 eligibility for substance use disorder services and provide substance use disorder services
1.17 to persons residing within its jurisdiction who meet criteria established by the commissioner.
1.18 Substance use disorder money must be administered by the local agencies according to law
1.19 and rules adopted by the commissioner under sections 14.001 to 14.69.

1.20 (b) In order to contain costs, the commissioner of human services shall select eligible
1.21 vendors of substance use disorder services who can provide economical and appropriate
1.22 treatment. The commissioner may approve proposals from county boards to provide services
1.23 in an economical manner or to control utilization, with safeguards to ensure that necessary
1.24 services are provided. If a county implements a demonstration or experimental medical
1.25 services funding plan, the commissioner shall transfer the money as appropriate.

1.26 (c) An individual may choose to obtain a comprehensive assessment as provided in
1.27 section 245G.05. Individuals obtaining a comprehensive assessment may access any enrolled
1.28 provider that is licensed to provide the level of service authorized pursuant to section
1.29 254A.19, subdivision 3. If the individual is enrolled in a prepaid health plan, the individual
1.30 must comply with any provider network requirements or limitations.

1.31 **EFFECTIVE DATE.** This section is effective July 1, 2026.

2.1 Sec. 3. Minnesota Statutes 2024, section 254B.03, is amended by adding a subdivision to
2.2 read:

2.3 Subd. 1a. **Financial eligibility determinations; local agencies.** (a) Before July 1, 2027,
2.4 every local agency or Tribal Nation servicing agencies must determine financial eligibility
2.5 for substance use disorder services and provide substance use disorder services to persons
2.6 residing within its jurisdiction who meet criteria established by the commissioner. Substance
2.7 use disorder money must be administered by the local agencies according to law and rules
2.8 adopted by the commissioner under sections 14.001 to 14.69.

2.9 (b) In order to contain costs, the commissioner of human services shall select eligible
2.10 vendors of substance use disorder services who can provide economical and appropriate
2.11 treatment. Unless the local agency is a social services department directly administered by
2.12 a county or human services board, the local agency shall not be an eligible vendor under
2.13 section 254B.0501. The commissioner may approve proposals from county boards to provide
2.14 services in an economical manner or to control utilization, with safeguards to ensure that
2.15 necessary services are provided. If a county implements a demonstration or experimental
2.16 medical services funding plan, the commissioner shall transfer the money as appropriate.

2.17 (c) An individual may choose to obtain a comprehensive assessment as provided in
2.18 section 245G.05. Individuals obtaining a comprehensive assessment may access any enrolled
2.19 provider that is licensed to provide the level of service authorized pursuant to section
2.20 254A.19, subdivision 3. If the individual is enrolled in a prepaid health plan, the individual
2.21 must comply with any provider network requirements or limitations.

2.22 (d) Local agencies shall not make placement location determinations.

2.23 (e) This subdivision expires July 1, 2027.

2.24 **EFFECTIVE DATE.** This section is effective July 1, 2026.

2.25 Sec. 4. Minnesota Statutes 2024, section 254B.03, is amended by adding a subdivision to
2.26 read:

2.27 Subd. 2a. **Behavioral health fund payment for uncollectible withdrawal management**
2.28 **debt.** (a) The commissioner must develop a procedure and criteria for identifying
2.29 uncollectible withdrawal management debt. The criteria for uncollectible withdrawal
2.30 management debt must include, at a minimum, the following:

2.31 (1) the services resulting in the withdrawal management debt were provided by an eligible
2.32 vendor with whom the commissioner had an agreement under subdivision 9 at the time the
2.33 services were provided;

3.1 (2) the client who incurred the withdrawal management debt was not eligible to have
3.2 substance use disorder treatment services paid for with behavioral health fund money at the
3.3 time the services were provided;

3.4 (3) the provider has billed any available third-party payment source, the claim has been
3.5 denied, and the provider has confirmed that any remaining balance is the client's
3.6 responsibility; and

3.7 (4) the provider has billed the client for the client's remaining balance for the cost of
3.8 treatment, including co-payments, coinsurance, and deductibles; has made reasonable efforts
3.9 seeking payment of the remaining balance; and the remaining balance is at least 90 days
3.10 past due.

3.11 Nothing in this paragraph relieves a withdrawal management program from the program's
3.12 obligations under section 62J.808.

3.13 (b) The criteria under paragraph (a) must not include:

3.14 (1) a requirement that a withdrawal management program attempt to enroll the client in
3.15 a payment plan for the client's remaining balance; or

3.16 (2) a requirement that a withdrawal management program refer the withdrawal
3.17 management debt to a collection agency or law firm for collection.

3.18 (c) Notwithstanding subdivision 2, beginning with services provided on or after July 1,
3.19 2027, the commissioner shall pay withdrawal management programs from the behavioral
3.20 health fund for uncollectible withdrawal management debt in an amount not to exceed the
3.21 rate as determined under this chapter for the services provided.

3.22 **EFFECTIVE DATE.** This section is effective July 1, 2026.

3.23 Sec. 5. Minnesota Statutes 2025 Supplement, section 254B.03, subdivision 3, is amended
3.24 to read:

3.25 Subd. 3. **Counties to pay state for county share.** (a) Before July 1, 2027, a county shall
3.26 pay the state for the county share of the services authorized by the county, except when the
3.27 payment is made according to section 254B.09, subdivision 8. This paragraph expires July
3.28 1, 2027.

3.29 (b) Effective July 1, 2027, counties shall pay the state for the county share of the services
3.30 authorized by the commissioner, except when the payment is made according to section
3.31 254B.09, subdivision 8.

4.1 Sec. 6. Minnesota Statutes 2024, section 254B.04, subdivision 1, is amended to read:

4.2 Subdivision 1. **Scope and applicability.** (a) This section governs the administration of
4.3 the behavioral health fund, establishes the criteria to be applied by local agencies and Tribal
4.4 Nation servicing agencies to determine a client's financial eligibility under the behavioral
4.5 health fund, and determines a client's obligation to pay for substance use disorder treatment
4.6 services. This paragraph expires July 1, 2027.

4.7 (b) Effective July 1, 2027, this section governs the administration of the behavioral
4.8 health fund, establishes the criteria to be applied by the commissioner or Tribal Nation
4.9 servicing agencies to determine a client's financial eligibility under the behavioral health
4.10 fund, and determines a client's obligation to pay for substance use disorder treatment services.

4.11 **EFFECTIVE DATE.** This section is effective July 1, 2026.

4.12 Sec. 7. Minnesota Statutes 2025 Supplement, section 254B.04, subdivision 1a, is amended
4.13 to read:

4.14 Subd. 1a. **Client eligibility.** (a) Persons eligible for benefits under Code of Federal
4.15 Regulations, title 25, part 20, who meet the income standards of section 256B.056,
4.16 subdivision 4, and are not enrolled in medical assistance, are entitled to behavioral health
4.17 fund services. State money appropriated for this paragraph must be placed in a separate
4.18 account established for this purpose.

4.19 (b) Persons with dependent children who are determined to be in need of substance use
4.20 disorder treatment pursuant to an assessment under section 260E.20, subdivision 1, or in
4.21 need of chemical dependency treatment pursuant to a case plan under section 260C.201,
4.22 subdivision 6, or 260C.212, shall be assisted by the commissioner to access needed treatment
4.23 services. Treatment services must be appropriate for the individual or family, which may
4.24 include long-term care treatment or treatment in a facility that allows the dependent children
4.25 to stay in the treatment facility. The county shall pay for out-of-home placement costs, if
4.26 applicable.

4.27 (c) Notwithstanding paragraph (a), any person enrolled in medical assistance or
4.28 MinnesotaCare is eligible for room and board services under section 254B.0505, subdivision
4.29 1, clause (9).

4.30 (d) A client is eligible to have substance use disorder treatment paid for with funds from
4.31 the behavioral health fund when the client:

4.32 (1) is eligible for MFIP as determined under chapter 142G;

5.1 (2) is eligible for medical assistance as determined under Minnesota Rules, parts
5.2 9505.0010 to 9505.0140;

5.3 (3) is eligible for general assistance, general assistance medical care, or work readiness
5.4 as determined under Minnesota Rules, parts 9500.1200 to 9500.1272; or

5.5 (4) has income that is within current household size and income guidelines for entitled
5.6 persons, as defined in this subdivision and subdivision 7.

5.7 (e) Clients who meet the financial eligibility requirement in paragraph (a) and who have
5.8 a third-party payment source are eligible for the behavioral health fund if the third-party
5.9 payment source pays less than 100 percent of the cost of treatment services for eligible
5.10 clients.

5.11 (f) A client is ineligible to have substance use disorder treatment services paid for with
5.12 behavioral health fund money if the client:

5.13 (1) has an income that exceeds current household size and income guidelines for entitled
5.14 persons as defined in this subdivision and subdivision 7; or

5.15 (2) has an available third-party payment source that will pay the total cost of the client's
5.16 treatment.

5.17 (g) A client who is disenrolled from a state prepaid health plan during a treatment episode
5.18 is eligible for continued treatment service that is paid for by the behavioral health fund until
5.19 the treatment episode is completed or the client is re-enrolled in a state prepaid health plan
5.20 if the client:

5.21 (1) continues to be enrolled in MinnesotaCare, medical assistance, or general assistance
5.22 medical care; or

5.23 (2) is eligible according to paragraphs (a) and (b) and is determined eligible by the
5.24 commissioner under section 254B.04.

5.25 (h) When a county commits a client under chapter 253B to a regional treatment center
5.26 for substance use disorder services and the client is ineligible for the behavioral health fund,
5.27 the county is responsible for the payment to the regional treatment center according to
5.28 section 254B.0501, subdivision 3.

5.29 (i) Persons enrolled in MinnesotaCare are eligible for room and board services when
5.30 provided through intensive residential treatment services and residential crisis services under
5.31 section 256B.0632.

6.1 ~~(j) A person is eligible for one 60-consecutive-calendar-day period per year. A person~~
6.2 ~~may submit a request for additional eligibility to the commissioner. A person denied~~
6.3 ~~additional eligibility under this paragraph may request a state agency hearing under section~~
6.4 ~~256.045.~~

6.5 **EFFECTIVE DATE.** This section is effective July 1, 2026.

6.6 Sec. 8. Minnesota Statutes 2025, section 254B.04, is amended by adding a subdivision to
6.7 read:

6.8 Subd. 1b. **Span of eligibility.** (a) Before July 1, 2027, a person is eligible for one
6.9 180-consecutive-calendar-day period per year. A person may submit a request for additional
6.10 eligibility to the local agency. A person denied additional eligibility under this paragraph
6.11 may request a state agency hearing under section 256.045. This paragraph expires July 1,
6.12 2027.

6.13 (b) Effective July 1, 2027, a person is eligible for one 180-consecutive-calendar-day
6.14 period per year. A person may submit a request for additional eligibility to the commissioner.
6.15 A person denied additional eligibility under this paragraph may request a state agency
6.16 hearing under section 256.045.

6.17 **EFFECTIVE DATE.** This section is effective July 1, 2026.

6.18 Sec. 9. Minnesota Statutes 2025 Supplement, section 254B.04, subdivision 6, is amended
6.19 to read:

6.20 Subd. 6. **Commissioner to determine client financial eligibility.** (a) The commissioner
6.21 shall determine a client's financial eligibility for the behavioral health fund according to
6.22 section 254B.04, subdivision 1a, with the income calculated prospectively for one year from
6.23 the date of request. The commissioner shall pay for eligible clients according to chapter
6.24 256G. Client eligibility must be determined using only forms prescribed by the commissioner.
6.25 To determine a client's eligibility, the commissioner must determine the client's income,
6.26 the size of the client's household, the availability of a third-party payment source, and a
6.27 responsible relative's ability to pay for the client's substance use disorder treatment.

6.28 (b) A client who is a minor child must not be deemed to have income available to pay
6.29 for substance use disorder treatment, unless the minor child is responsible for payment under
6.30 section 144.347 for substance use disorder treatment services sought under section 144.343,
6.31 subdivision 1.

6.32 (c) The commissioner must determine the client's household size as follows:

7.1 (1) if the client is a minor child, the household size includes the following persons living
7.2 in the same dwelling unit:

7.3 (i) the client;

7.4 (ii) the client's birth or adoptive parents; and

7.5 (iii) the client's siblings who are minors; and

7.6 (2) if the client is an adult, the household size includes the following persons living in
7.7 the same dwelling unit:

7.8 (i) the client;

7.9 (ii) the client's spouse;

7.10 (iii) the client's minor children; and

7.11 (iv) the client's spouse's minor children.

7.12 For purposes of this paragraph, household size includes a person listed in clauses (1) and
7.13 (2) who is in an out-of-home placement if a person listed in clause (1) or (2) is contributing
7.14 to the cost of care of the person in out-of-home placement.

7.15 (d) The commissioner must determine the client's current prepaid health plan enrollment,
7.16 the availability of a third-party payment source, including the availability of total payment,
7.17 partial payment, and amount of co-payment.

7.18 (e) The commissioner shall require the client and policyholder to conditionally assign
7.19 to the department the client and policyholder's rights and the rights of minor children to
7.20 benefits or services provided to the client if the department is required to collect from a
7.21 third-party pay source.

7.22 ~~(f) The commissioner must determine a client's eligibility for the behavioral health fund~~
7.23 ~~for a 60-consecutive-calendar-day period per calendar year.~~

7.24 ~~(g)~~ (f) A client, responsible relative, and policyholder must provide income or wage
7.25 verification, household size verification, and must make an assignment of third-party payment
7.26 rights under paragraph (e). If a client, responsible relative, or policyholder does not comply
7.27 with the provisions of this subdivision, the client is ineligible for behavioral health fund
7.28 payment for substance use disorder treatment, and the client and responsible relative must
7.29 be obligated to pay for the full cost of substance use disorder treatment services provided
7.30 to the client.

8.1 Sec. 10. Minnesota Statutes 2025 Supplement, section 254B.04, subdivision 6a, is amended
8.2 to read:

8.3 Subd. 6a. **Span of eligibility.** (a) Before July 1, 2027, the local agency must determine
8.4 a client's eligibility for the behavioral health fund for a 180-consecutive-calendar-day period
8.5 per calendar year. The local agency must enter the financial eligibility span within five
8.6 business days of a request. If the comprehensive assessment is completed within the timelines
8.7 required under chapter 245G, then the span of eligibility must begin on the date services
8.8 were initiated. If the comprehensive assessment is not completed within the timelines
8.9 required under chapter 245G, then the span of eligibility must begin on the date the
8.10 comprehensive assessment was completed. This paragraph expires July 1, 2027.

8.11 (b) Effective July 1, 2027, the commissioner must determine a client's eligibility for the
8.12 behavioral health fund for a 180-consecutive-calendar-day period per calendar year. The
8.13 commissioner must enter the financial eligibility span within five business days of a request.
8.14 If the comprehensive assessment is completed within the timelines required under chapter
8.15 245G, then the span of eligibility must begin on the date services were initiated. If the
8.16 comprehensive assessment is not completed within the timelines required under chapter
8.17 245G, then the span of eligibility must begin on the date the comprehensive assessment was
8.18 completed.

8.19 **EFFECTIVE DATE.** This section is effective July 1, 2026.

8.20 Sec. 11. Minnesota Statutes 2025 Supplement, section 254B.0509, subdivision 1, is
8.21 amended to read:

8.22 Subdivision 1. **Base payment rates.** (a) Effective for services provided on or after
8.23 January 1, 2026, the commissioner must implement the following base payment rates for
8.24 substance use disorder treatment services under section 254B.0505, subdivision 1:

8.25 (1) for low-intensity residential services, 100 percent of the modeled rate included in
8.26 the final report required by Laws 2021, First Special Session chapter 7, article 17, section
8.27 18;

8.28 (2) for high-intensity residential services, 83 percent of the modeled rate included in the
8.29 final report required by Laws 2021, First Special Session chapter 7, article 17, section 18;
8.30 and

8.31 (3) for treatment coordination services, 100 percent of the modeled rate included in the
8.32 final report required by Laws 2021, First Special Session chapter 7, article 17, section 18.

9.1 (b) Effective for services provided on or after January 1, 2027, the base payment rate
9.2 for high-intensity residential services provided by adolescent treatment programs under
9.3 section 254B.0505, subdivision 1, clause (9), is equal to 130 percent of the base payment
9.4 rate for high-intensity residential services under paragraph (a), including any adjustments
9.5 under subdivision 2.

9.6 **EFFECTIVE DATE.** This section is effective January 1, 2027, or upon federal approval,
9.7 whichever is later.

9.8 Sec. 12. Minnesota Statutes 2024, section 254B.06, is amended by adding a subdivision
9.9 to read:

9.10 Subd. 1a. **State collections for withdrawal management services.** Subdivision 1 applies
9.11 to all collections from clients determined by the commissioner to have uncollectible
9.12 withdrawal management debt under section 254B.03, subdivision 2a.

9.13 **EFFECTIVE DATE.** This section is effective July 1, 2026, and applies to all withdrawal
9.14 management services provided on or after that date.

9.15 Sec. 13. Minnesota Statutes 2024, section 254B.06, is amended by adding a subdivision
9.16 to read:

9.17 Subd. 3a. **Payment for withdrawal management services.** Notwithstanding subdivision
9.18 3, the commissioner shall pay eligible vendors for withdrawal management services that
9.19 the commissioner determines are uncollectible withdrawal management debt under section
9.20 254B.03, subdivision 2a.

9.21 **EFFECTIVE DATE.** This section is effective July 1, 2026, and applies to all withdrawal
9.22 management services provided on or after that date.

9.23 Sec. 14. Laws 2025, First Special Session chapter 9, article 4, section 21, the effective
9.24 date, is amended to read:

9.25 **EFFECTIVE DATE.** This section is effective July 1, ~~2026~~ 2027.

9.26 Sec. 15. Laws 2025, First Special Session chapter 9, article 4, section 27, the effective
9.27 date, is amended to read:

9.28 **EFFECTIVE DATE.** Paragraph (d) is effective July 1, 2025. ~~Paragraphs (b), (g), and~~
9.29 ~~Paragraph (j) are~~ is effective July 1, 2026. Paragraphs (b) and (g) are effective July 1, 2027.

10.1 Sec. 16. Laws 2025, First Special Session chapter 9, article 4, section 28, the effective
10.2 date, is amended to read:

10.3 **EFFECTIVE DATE.** This section is effective July 1, ~~2026~~ 2027.

10.4 Sec. 17. Laws 2025, First Special Session chapter 9, article 4, section 29, the effective
10.5 date, is amended to read:

10.6 **EFFECTIVE DATE.** This section is effective July 1, ~~2026~~ 2027, except the amendment
10.7 to paragraph (f) modifying the eligibility period is effective July 1, 2026.

10.8 Sec. 18. **DIRECTION TO THE COMMISSIONER OF HUMAN SERVICES;**
10.9 **ADOLESCENT SUBSTANCE USE DISORDER TREATMENT.**

10.10 By January 15, 2027, the commissioner of human services shall submit to the chairs and
10.11 ranking minority members of the legislative committees with jurisdiction over substance
10.12 use disorder treatment an update to the report required under Laws 2021, First Special
10.13 Session chapter 7, article 17, section 18. The update to the report must contain
10.14 recommendations for benchmark payment rates for residential and nonresidential substance
10.15 use disorder treatment provided to adolescents.

10.16 Sec. 19. **QUALIFYING ACCREDITATION PILOT PROGRAM FOR SUBSTANCE**
10.17 **USE DISORDER TREATMENT PROGRAMS.**

10.18 (a) By July 1, 2027, the commissioner of human services must develop a pilot program
10.19 that expands the definition of "accrediting body" under Minnesota Statutes, section 245G.031,
10.20 subdivision 2, paragraph (c), to include either the Commission on Accreditation of
10.21 Rehabilitation Facilities or the ASAM Level of Care Certification Program. The
10.22 commissioner must collaborate with interested parties, including but not limited to the
10.23 Minnesota Association of Resources for Recovery and Chemical Health, in developing the
10.24 pilot program in a manner consistent with Minnesota Statutes, section 245G.031.

10.25 (b) By January 1, 2030, based on the assessment of the pilot program by the commissioner
10.26 of human services, the commissioner must submit recommendations to the legislature
10.27 regarding expanding the definition of "accrediting body" under Minnesota Statutes, section
10.28 245G.031, subdivision 2, paragraph (c), to include the Commission on Accreditation of
10.29 Rehabilitation Facilities, the ASAM Level of Care Certification Program, both, or neither.

10.30 **EFFECTIVE DATE.** This section is effective July 1, 2026.

11.1 **Sec. 20. APPROPRIATION; GENERAL FUND BASE REDUCTION.**

11.2 The general fund appropriation for withdrawal management start-up and capacity-building
11.3 grants under Minnesota Statutes, section 254B.17, in Laws 2025, First Special Session
11.4 chapter 9, article 12, section 21, and originally appropriated under Laws 2023, chapter 61,
11.5 article 9, section 2, subdivision 18, paragraph (g), is reduced in fiscal year 2027 by \$.....
11.6 and the base is reduced in fiscal year 2028 and each year thereafter by \$..... The
11.7 commissioner of human services must terminate or amend existing grant contracts to achieve
11.8 the necessary reduction in grant expenditures based on the reduction to the program under
11.9 this section.

11.10 **EFFECTIVE DATE.** This section is effective July 1, 2026."

11.11 Amend the title accordingly