

NUMBER

#2025-01

DATE

July 1, 2025

OF INTEREST TO

County Directors
Social Services Supervisors and
Staff
DCT Executive Directors
DCT Site Directors
DCT Billing Staff

ACTION/DUE DATE

Please read information and
prepare for implementation

EXPIRATION DATE

June 30, 2027

County Portion of Cost of Care at Direct Care and Treatment Facilities

TOPIC

County cost of care for mental health services for adults and children provided at Anoka-Metro Regional Treatment Center (AMRTC), the Community Behavioral Health Hospitals (CBHHs) or the Child and Adolescent Behavioral Health Hospital (CABHH).

PURPOSE

Announce upcoming change related to the county portion of the cost of care at AMRTC and CBHHs for adults and at the CABHH for children and teens, effective July 1, 2025.

CONTACT

Lynn Glancey, Chief Financial Officer
Direct Care and Treatment
(651) 539-7011

SIGNED



MARSHALL E. SMITH
Health System Chief Executive Officer

Direct Care and Treatment TERMINOLOGY NOTICE

The terminology used to describe people we serve has changed over time. Direct Care and Treatment (DCT) supports the use of "People First" language.

I. Background

This bulletin is intended to provide information on the billing practices for mental health inpatient hospital services provided at Direct Care and Treatment (DCT) AMRTC, the CBHHs and the CABHH as directed by Minnesota Statutes, section 246.54, subdivisions 1a and 1b and modified by Laws of Minnesota 2025 1st Special Session, chapter 9, article 5, sections 1 and 2.

A. MS 246.54 Subdivision 1. Generally.

Minnesota Statutes section 246.54 requires that a client's county shall pay to the State of Minnesota a portion of the cost of care provided in a state-operated facility for a client legally settled in that county. A county's payment shall be made from the county's own sources of revenue and payment shall equal a percentage of the cost of care, as determined by the facility, for each day, or the portion thereof, that the client spends at a state-operated facility.

1. Anoka-Metro Regional Treatment Center (AMRTC)

- a) A county's payment of the cost of care provided at the Anoka-Metro Regional Treatment Center shall be according to the following schedule:
 - i) Zero percent for the first 30 days;
 - ii) 20 percent for days 31 and over if the stay is determined to be clinically appropriate for the client;
 - iii) 100 percent for each day during the stay, including the day of admission, when the facility determines that it is clinically appropriate for the client to be discharged.
- b) If payments received by the state under Minnesota Statutes, sections 246.50 to 246.53 exceed 80 percent of the cost of care for days over 31 for clients who meet the criteria in paragraph (a), clause (2), the county shall be responsible for paying the state only the remaining amount. The county shall not be entitled to reimbursement from the client, the client's estate, or from the client's relatives, except as provided in Minnesota Statutes, section 246.53.

2. Subdivision 1b. Community Behavioral Health Hospitals (CBHHs) or the Child and Adolescent Behavioral Health Hospital (CABHH)

- a) A county's payment of the cost of care provided at a Community Behavioral Health Hospital for adults or the Child and Adolescent Behavioral Health Hospital for children and teens shall be according to the following schedule:
 - i) 100 percent for each day during the stay, including the day of admission, when the facility determines that it is clinically appropriate for the client to be discharged.
- b) The county shall not be entitled to reimbursement from the client, the client's estate, or from the client's relatives, except as provided in Minnesota Statutes, section 246.53.

B. MS 256G.08 Subdivision 1. Commitment and Competency Proceedings

In cases of voluntary admission, or commitment to state or other institutions, or criminal orders for inpatient examination or participation in a competency attainment program under chapter 611, the committing county or the county from which the first criminal order for inpatient examination or order for participation in a competency attainment program under chapter 611 is issued shall initially pay for all costs. This includes the expenses of the taking into custody, confinement, emergency holds under sections 253B.051, subdivisions 1 and 2, and 253B.07, examination, commitment, conveyance to the place of detention, rehearing, and hearings under section sections 253B.092 and 611.47, including hearings held under those sections that are venued outside the county of commitment or the county of the chapter 611 competency proceedings order.

II. Length of Stay Determination

In accordance with the law, the following methods will be used to determine length of stay:

- DATE of admission to the program after release of any hold order will be counted as day one for the county cost of care determination.
- DISCHARGE from the inpatient episode will end the length of stay calculation for the episode unless a client is re-admitted to the program within 72 hours. If the client is re-admitted within 72 hours from discharge (provisional or full), the length of stay will continue from the previous episode.

III. DCT – Hospital Level Medical Necessity Criteria – Determination Process

Direct Care and Treatment determines the clinical appropriateness of discharge as follows:

Step 1 – Utilization management reviewer identifies a client treatment episode that may no longer meet hospital level medical necessity criteria using LOCUS (Levels of Care Utilization System).

Step 2 – Utilization management reviewer reviews the client case with attending clinician to determine if clinical data supports hospital level medical necessity criteria, or “does not meet criteria” (DNMC).

Step 3 – Utilization management supervisor reviews case with the utilization management reviewer to assure appropriate justification for DNMC and writes DNMC letter.

Step 4 – Program Medical Director reviews the case with the utilization management supervisor and if in agreement, signs the DNMC letter.

Step 5 – DNMC letter is sent to the client (or designee) and to the county case manager.

IV. Process for Clients Appealing Medical Necessity Determination

Clients have the right to appeal this determination. Clients must submit an appeal within 30 days of receiving notice. If the client can show good cause for failing to appeal within 30 days, the client might be able to appeal within 60 days. The client also has the right to have an authorized representative (guardian, conservator, or person legally responsible for decision-making in regards to the patient's care) assist in the appeal process or act on their behalf. To request an appeal, please send a written request to DCT Utilization Management Department at one the following addresses.

E-mail Address: dhs.dctum.appeals@state.mn.us

Mailing Address: Anoka Metro Regional Treatment Center
Attention: UM Supervisor
3301 7th Avenue North
Anoka, MN 55303

VI. County Administrative Review Process

Minnesota Statutes, section 246.54, subdivision 3 provides an administrative review process when the determination of the county cost of care liability as it relates to individuals the treatment facility has determined to be clinically appropriate for discharge, but a delay in discharge has occurred due to the treatment facility. The county of financial responsibility may submit a written request for the DCT Health System CEO to conduct an administrative review of the county's payment of the cost of care when a delay in discharge of a client from a regional treatment center, state-operated community-based behavioral health hospital, or other state-operated facility results for the following actions by the facility:

- 1) The facility did not provide notice to the county that the facility has determined that it is clinically appropriate for a client to be discharged;
- 2) The notice to the county that the facility has determined that it is clinically appropriate for a client to be discharged was communicated on a holiday or weekend;
- 3) The required documentation or procedures for discharge were not completed in order for the discharge to occur in a timely manner; or
- 4) The facility disagrees with the county's discharge plan.
- 5) The county of financial responsibility cannot appeal the determination that it is clinically appropriate for a client to be discharged from a state-operated facility.

The DCT Health System CEO determination under this subdivision is final and not subject to appeal.

The process and form to be is available to download at the following link: https://mn.gov/dct/assets/dct-administrative-review-form-fill-save_tcm1217-696242.pdf

VII. Action to be Taken on County for Non-Payment of County Portion of Cost of Care

It is the responsibility of the county to make payment to the state within a reasonable period of time. Claims not paid in 90 days are considered to be outside of a reasonable period of time. When payment is not received within 90 days, the DCT Health System CEO may assess financial penalties against the county in accordance with Minnesota Statutes, section 256.01, subdivision 2 (a) as follows:

Subdivision 2a. Specific Powers.

Subject to the provisions of Minnesota Statutes, section 241.021, subdivision 2, the DCT Health System CEO shall carry out the specific duties in paragraphs (a) through (bb):

(5) delay or deny payment of all part of the state and federal share of benefits and administrative reimbursement according to the procedures set forth in Minnesota Statutes, section 256.017;

Process for Non-Paid Claims.

Upon notification to the county from the Direct Care & Treatment patient accounting office of non-paid claims exceeding 90 days, credit balances will be established in the Departments of Medicaid Management Information Systems (MMIS) for the full amount of the outstanding debt. Once established, future MMIS payments will be reduced, in whole or in part, until the value of the credit balance/outstanding debt is realized. The payment reductions will be reflected in each county's Remittance Advices (835's).

Americans with Disabilities Act (ADA) Advisory

This information is available in accessible formats for people with disabilities by calling (651) 431-6885 (voice) or toll free at (800) 627-3529 or by using your preferred relay service. For other information on disability rights and protections, contact the ADA coordinator.