



2025 End of Session Update

Gena Savage | BHA Legislative Director

Policy Provisions

- Comprehensive Assessments changes
 - Updates to who administer a comprehensive assessment in 245G.05 to include:
 - Alcohol and Drug Counselor
 - MH professional who meets 245I qualifications, practices within the scope of professional licensure, and has at least 12 hours of training in SUD and treatment
 - Clinical trainee who meets 245I qualifications and is practicing under supervision of a MH professional
 - Advanced practice registered nursed, who practices within scope of professional licensure and has at least 12 hours of training in SUD and treatment
- Assessments when convicted of alcohol or drug related offenses
 - If a person is eligible for MA or BHF, the court cannot require the person to pay for a SUD assessment
 - Changes terminology from “chemical dependency assessment” to “substance use assessment”

Policy Provisions

- Recovery Community Organization updates:
 - Names MARCO as certifying body
 - If MARCO unable to certify, DHS will determine eligibility of vendors to deliver RCO services or designate another certifying body
 - Requires RCO to have plans to transfer clients and records upon closure
 - Extends certification deadline to June 2027
- Out-of-state treatment
 - Expands who can receive MH and SUD treatment in bordering states to those who are on probation or parole
 - Copies of contracts with out-of-state facilities must be sent to DHS within 30 days

Policy Provisions

- Implements Mid-Point Rule
 - More than half of a time-based code must be spent performing service to be eligible to submit a claim
 - Cannot submit another claim for remainder of that time
 - Providers may only round up to next whole number of service units for a claim when more than 1.5 of the time has occurred and no additional time increment code exists
- 1115 Re-Entry Waiver technical changes
 - Allows DHS to draw down federal funds to capacity building and implementation costs
 - Adds opioid use disorder medication to allowable services

- Opioid Settlement Changes
 - Adds “entities that engage in, has engaged in, or has provided consultation services regarding the manufacture, marketing, promotion, sale, distribution or dispensing of opioids to the definition of “settling defendant” for purposes of a statewide opioid settlement agreement
 - Names Purdue Pharma specifically
- Statewide SUD and Addiction Plan
 - Moved responsibility for statewide plan from DHS to Office of Addiction and Recovery (OAR)
 - Adds DCYF, DCT, Commerce, and OCM to members to the Opioids, Substance Use, and Addiction Subcabinet

Budget Provisions

- Recovery Residences
 - Voluntary certification for Level 1 and Level 2 recovery residences, beginning January 2027
 - Phases out free-standing room and board (FSRB) payments
 - No new applications approved past July 1, 2025
 - No FSRB payments issued for services past July 1, 2027
 - DHS can enter into Housing Support agreements with Level 2 certified recovery residences, beginning January 2027
 - Workgroup created to submit report with recommendations by January 1, 2027 on:
 - How to sustainably fund recovery residences;
 - Creating implementable plan to address housing needs for individuals in outpatient treatment; and
 - Specific policy or legislative changes to support recovery housing solutions
 - Replaces “sober home” with “recovery residence”

Budget Provisions

- SUD Treatment Service Changes:
 - Adds new SUD treatment services and necessary conforming changes:
 - Psychoeducation
 - Recovery support services
 - Ancillary treatment service
 - Time-based billing code changes
 - New SUD treatment services will have 15-min billing codes
 - Changes individual and group counseling services from 1 hr codes to 15 min billing codes
 - Updates Treatment Coordinator qualifications
 - Eff. July 2026 or upon federal approval

Budget Provisions

- Creates new Behavioral Health practitioner position
 - BH practitioner must meet qualification in 245I.04, subd. 4 (currently MH practitioner qualifications)
 - Scope of practice:
 - May provide clients with recovery support services
 - Cannot provide treatment supervision
 - Must receive at least 1 hour of supervision per month on individual service delivery from ADC or MH professional who has SUD treatment and assessments within scope of practice
 - Eff. July 1, 2026, or upon federal approval

- Behavioral Health Fund Reforms
 - Moves BHF eligibility determinations to DHS and Tribal Nations
 - Ends county allocation for BHF
 - Limits BHF eligibility to one 60 consecutive calendar day period per year
 - Exceptions process for those who are not eligible for BHF or whose MA eligibility determination is taking longer than 60 days
 - Eff. July 2026

Budget Provisions

- SUD Rates Increases
 - 100% modeled rates for low-intensity residential services
 - 83% of modeled rates for high-intensity residential services
 - 100% modeled rate for treatment coordination services;
 - Annual inflation adjustment, eff. Jan. 2027
- Rate Enhancements
 - Strikes fixed dollar rates in 254B.05, subd. 5
 - Retains rate enhancements for programs that provide:
 - Childcare services
 - Culturally specific or culturally responsive services
 - Disability responsive services
 - Medical services

SUD Service	Current Rate	New Rate
Low-intensity residential	\$79.84	\$216.90
High-intensity residential	\$224.06	\$294.66
Treatment coordination	\$15.02	\$37.13

Budget Provisions

- Requires DHS to create “Steps for Success” program for RCO
 - Requires all owners active in day-to-day management and operations, managers, and supervisory employees to complete compliance training before applying for enrollment as RCO (and every 3 years thereafter) to cover the following topics:
 - State and federal program billing, documentation, and service delivery;
 - Eligible vendor requirements; and
 - Program integrity, fair labor standards, and workplace safety
 - Eff. July 1, 2026
- SUD Licensure Report
 - DHS, with Board of Nursing, Board of Behavioral Health and Therapy and Board of Medical Practice, must conduct a study and develop recommendations to eliminate limitations on licensed health professional ability to provide SUD treatment services while practicing within their licensed or statutory scopes of practice
 - Report due Jan. 15, 2027

Thank You!

Gena Savage

Gena.savage@state.mn.us