

Side-by-Side Legislative Changes 2025: Behavioral Health Fund Reform

Includes: Changes to Behavioral Health Fund policies and procedures.

Chapter Section Subd	Previous Statute Language	Updated Statute Language	Effective Date	Chapter/ Article/ Section
254A.19, Subd. 4.	Subd. 4. Civil commitments. For the purposes of determining level of care, a comprehensive assessment does not need to be completed for an individual being committed as a chemically dependent person, as defined in section 253B.02, and for the duration of a civil commitment under section 253B.09 or 253B.095 in order for a county to access the behavioral health fund under section 254B.04. The county must determine if the individual meets the financial eligibility requirements for the behavioral health fund under section 254B.04.	Subd. 4. Civil commitments. For the purposes of determining level of care, a comprehensive assessment does not need to be completed for an individual being committed as a chemically dependent person, as defined in section 253B.02, and for the duration of a civil commitment under section 253B.09 or 253B.095 in order for a county <u>the individual to access be eligible for the</u> behavioral health fund under section 254B.04. The county <u>commissioner</u> must determine if the individual meets the financial eligibility requirements for the behavioral health fund under section 254B.04.	July 1, 2026	HF 3 Chapter 9, Article 4, Section 21
254B.02, Subd. 5	Subd. 5. Local agency allocation. The commissioner may make payments to local agencies from money allocated under this section to support individuals with substance use disorders . The payment must not be less than 133 percent of the local agency payment for the fiscal year ending June 30, 2009, adjusted in proportion to the statewide change in the appropriation for this chapter.	Subd. 5. Local agency Tribal allocation. The commissioner may make payments to local agencies <u>Tribal Nation servicing agencies</u> from money allocated under this section to support individuals with substance use disorders <u>and determine eligibility for behavioral health fund payments.</u> The payment must not be less than 133 percent of the local agency <u>Tribal Nations</u> payment for the fiscal year ending June 30, 2009, adjusted in proportion to the statewide change in the appropriation for this chapter.	July 1, 2026	HF 3 Chapter 9, Article 4, Section 24

254B.03, Subd. 1	<p>Subdivision 1. Local agency duties. (a) Every local agency must determine financial eligibility for substance use disorder services and provide substance use disorder services to persons residing within its jurisdiction who meet criteria established by the commissioner. Substance use disorder money must be administered by the local agencies according to law and rules adopted by the commissioner under sections 14.001 to 14.69.</p> <p>(b) In order to contain costs, the commissioner of human services shall select eligible vendors of substance use disorder services who can provide economical and appropriate treatment. Unless the local agency is a social services department directly administered by a county or human services board, the local agency shall not be an eligible vendor under section 254B.05. The commissioner may approve proposals from county boards to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. If a county implements a demonstration or experimental medical services funding plan, the commissioner shall transfer the money as appropriate.</p> <p>(c) An individual may choose to obtain a comprehensive assessment as provided in section 245G.05. Individuals obtaining a comprehensive assessment may access any enrolled provider that is licensed to provide the level of service authorized pursuant to section 254A.19, subdivision 3. If the individual is enrolled in a prepaid health plan, the individual must comply with any provider network requirements or limitations.</p> <p>(d) Beginning July 1, 2022, local agencies shall not make placement location determinations.</p>	<p>Subdivision 1. Local agency duties Financial eligibility determinations. (a) Every local agency <u>The commissioner of human services or Tribal Nation servicing agencies</u> must determine financial eligibility for substance use disorder services and provide substance use disorder services to persons residing within its jurisdiction who meet criteria established by the commissioner. Substance use disorder money must be administered by the local agencies according to law and rules adopted by the commissioner under sections 14.001 to 14.69.</p> <p>(b) In order to contain costs, the commissioner of human services shall select eligible vendors of substance use disorder services who can provide economical and appropriate treatment. Unless the local agency is a social services department directly administered by a county or human services board, the local agency shall not be an eligible vendor under section 254B.05. The commissioner may approve proposals from county boards to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. If a county implements a demonstration or experimental medical services funding plan, the commissioner shall transfer the money as appropriate.</p> <p>(c) An individual may choose to obtain a comprehensive assessment as provided in section 245G.05. Individuals obtaining a comprehensive assessment may access any enrolled provider that is licensed to provide the level of service authorized pursuant to section 254A.19, subdivision 3. If the individual is enrolled in a prepaid health plan, the individual must comply with any provider network requirements or limitations.</p> <p>(d) Beginning July 1, 2022, local agencies shall not make placement location determinations.</p>	July 1, 2026	HF 3 Chapter 9, Article 4, Section 25
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254B.03, Subd. 3	Subd. 3. Local agencies to pay state for county share. Local agencies shall pay the state for the county share of the services authorized by the local agency, except when the payment is made according to section 254B.09, subdivision 8.	Subd. 3. Local agencies Counties to pay state for county share. Local agencies <u>Counties</u> shall pay the state for the county share of the services authorized by the local agency commissioner , except when the payment is made according to section 254B.09, subdivision 8.	July 1, 2026	HF 3 Chapter 9, Article 4, Section 26
254B.04, Subd. 1a, paragraph (b)	(b) Persons with dependent children who are determined to be in need of substance use disorder treatment pursuant to an assessment under section 260E.20, subdivision 1, or in need of chemical dependency treatment pursuant to a case plan under section 260C.201, subdivision 6, or 260C.212, shall be assisted by the local agency to access needed treatment services. Treatment services must be appropriate for the individual or family, which may include long-term care treatment or treatment in a facility that allows the dependent children to stay in the treatment facility. The county shall pay for out-of-home placement costs, if applicable.	(b) Persons with dependent children who are determined to be in need of substance use disorder treatment pursuant to an assessment under section 260E.20, subdivision 1, or in need of chemical dependency treatment pursuant to a case plan under section 260C.201, subdivision 6, or 260C.212, shall be assisted by the local <u>agency commissioner</u> to access needed treatment services. Treatment services must be appropriate for the individual or family, which may include long-term care treatment or treatment in a facility that allows the dependent children to stay in the treatment facility. The county shall pay for out-of-home placement costs, if applicable.	July 1, 2026	HF 3 Chapter 9, Article 4, Section 27
254B.04, Subd. 1a, paragraph (d)	(d) A client is eligible to have substance use disorder treatment paid for with funds from the behavioral health fund when the client: (1) is eligible for MFIP as determined under chapter 142G; (2) is eligible for medical assistance as determined under Minnesota Rules, parts 9505.0010 to 9505.0150; (3) is eligible for general assistance, general assistance medical care, or work readiness as determined under Minnesota Rules, parts 9500.1200 to 9500.1318; or (4) has income that is within current household size and income guidelines for entitled persons, as defined in this subdivision and subdivision 7.	(d) A client is eligible to have substance use disorder treatment paid for with funds from the behavioral health fund when the client: (1) is eligible for MFIP as determined under chapter 142G; (2) is eligible for medical assistance as determined under Minnesota Rules, parts 9505.0010 to 9505.0150 <u>9505.0140</u> ; (3) is eligible for general assistance, general assistance medical care, or work readiness as determined under Minnesota Rules, parts 9500.1200 to 9500.1318 <u>9500.1272</u> ; or	July 1, 2025	HF 3 Chapter 9, Article 4, Section 27

		(4) has income that is within current household size and income guidelines for entitled persons, as defined in this subdivision and subdivision 7.		
254B.04, Subd. 1a, paragraph (g)	(g) A client who is disenrolled from a state prepaid health plan during a treatment episode is eligible for continued treatment service that is paid for by the behavioral health fund until the treatment episode is completed or the client is re-enrolled in a state prepaid health plan if the client: (1) continues to be enrolled in MinnesotaCare, medical assistance, or general assistance medical care; or (2) is eligible according to paragraphs (a) and (b) and is determined eligible by a local agency under section 254B.04.	(g) A client who is disenrolled from a state prepaid health plan during a treatment episode is eligible for continued treatment service that is paid for by the behavioral health fund until the treatment episode is completed or the client is re-enrolled in a state prepaid health plan if the client: (1) continues to be enrolled in MinnesotaCare, medical assistance, or general assistance medical care; or (2) is eligible according to paragraphs (a) and (b) and is determined eligible by a local agency <u>the commissioner</u> under section 254B.04.	July 1, 2026	HF 3 Chapter 9, Article 4, Section 27
254B.04, Subd. 1a, paragraph (j)		<u>(j) A person is eligible for one 60-consecutive-calendar-day period per year. A person may submit a request for additional eligibility to the commissioner. A person denied additional eligibility under this paragraph may request a state agency hearing under section 256.045.</u>	July 1, 2026	HF 3 Chapter 9, Article 4, Section 27
254B.04, Subd. 5	Subd. 5. Local agency responsibility to provide services. The local agency may employ individuals to conduct administrative activities and facilitate access to substance use disorder treatment services.	Subd. 5. Local agency Commissioner responsibility to provide administrative services. The local agency commissioner of human services may employ individuals to conduct administrative activities and facilitate access to substance use disorder treatment services.	July 1, 2026	HF 3 Chapter 9, Article 4, Section 28
254B.04, Subd. 6	Subd. 6. Local agency to determine client financial eligibility. (a) The local agency shall determine a client's financial eligibility for the behavioral health fund according to section 254B.04, subdivision 1a, with the income calculated prospectively for one year from the date of request. The local agency shall pay for eligible clients according to chapter	Subd. 6. Local agency Commissioner to determine client financial eligibility. (a) The local agency commissioner shall determine a client's financial eligibility for the behavioral health fund according to section 254B.04, subdivision 1a, with the income calculated prospectively for one year from the date of request. The local agency commissioner shall pay	July 1, 2026	HF 3 Chapter 9, Article 4, Section 29

	<p>256G. Client eligibility must be determined using only forms prescribed by the commissioner unless the local agency has a reasonable basis for believing that the information submitted on a form is false. To determine a client's eligibility, the local agency must determine the client's income, the size of the client's household, the availability of a third-party payment source, and a responsible relative's ability to pay for the client's substance use disorder treatment.</p> <p>(b) A client who is a minor child must not be deemed to have income available to pay for substance use disorder treatment, unless the minor child is responsible for payment under section 144.347 for substance use disorder treatment services sought under section 144.343, subdivision 1.</p> <p>(c) The local agency must determine the client's household size as follows:</p> <p>(1) if the client is a minor child, the household size includes the following persons living in the same dwelling unit:</p> <p>(i) the client;</p> <p>(ii) the client's birth or adoptive parents; and</p> <p>(iii) the client's siblings who are minors; and</p> <p>(2) if the client is an adult, the household size includes the following persons living in the same dwelling unit:</p> <p>(i) the client;</p> <p>(ii) the client's spouse;</p> <p>(iii) the client's minor children; and</p> <p>(iv) the client's spouse's minor children.</p> <p>For purposes of this paragraph, household size includes a person listed in clauses (1) and (2) who is in an out-of-home placement if a person listed in</p>	<p>for eligible clients according to chapter 256G. Client eligibility must be determined using only forms prescribed by the commissioner unless the local agency has a reasonable basis for believing that the information submitted on a form is false. To determine a client's eligibility, the local agency <u>commissioner</u> must determine the client's income, the size of the client's household, the availability of a third-party payment source, and a responsible relative's ability to pay for the client's substance use disorder treatment.</p> <p>(b) A client who is a minor child must not be deemed to have income available to pay for substance use disorder treatment, unless the minor child is responsible for payment under section 144.347 for substance use disorder treatment services sought under section 144.343, subdivision 1.</p> <p>(c) The local agency <u>commissioner</u> must determine the client's household size as follows:</p> <p>(1) if the client is a minor child, the household size includes the following persons living in the same dwelling unit:</p> <p>(i) the client;</p> <p>(ii) the client's birth or adoptive parents; and</p> <p>(iii) the client's siblings who are minors; and</p> <p>(2) if the client is an adult, the household size includes the following persons living in the same dwelling unit:</p> <p>(i) the client;</p> <p>(ii) the client's spouse;</p> <p>(iii) the client's minor children; and</p> <p>(iv) the client's spouse's minor children.</p> <p>For purposes of this paragraph, household size includes a person listed in clauses (1) and (2) who is in an out-of-home placement if a person listed in</p>		
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	<p>clause (1) or (2) is contributing to the cost of care of the person in out-of-home placement.</p> <p>(d) The local agency must determine the client's current prepaid health plan enrollment, the availability of a third-party payment source, including the availability of total payment, partial payment, and amount of co-payment.</p> <p>(e) The local agency must provide the required eligibility information to the department in the manner specified by the department.</p> <p>(f) The local agency shall require the client and policyholder to conditionally assign to the department the client and policyholder's rights and the rights of minor children to benefits or services provided to the client if the department is required to collect from a third-party pay source.</p> <p>(g) The local agency must redetermine a client's eligibility for the behavioral health fund every 12 months.</p> <p>(h) A client, responsible relative, and policyholder must provide income or wage verification, household size verification, and must make an assignment of third-party payment rights under paragraph (f). If a client, responsible relative, or policyholder does not comply with the provisions of this subdivision, the client is ineligible for behavioral health fund payment for substance use disorder treatment, and the client and responsible relative must be obligated to pay for the full cost of substance use disorder treatment services provided to the client.</p>	<p>clause (1) or (2) is contributing to the cost of care of the person in out-of-home placement.</p> <p>(d) The local agency <u>commissioner</u> must determine the client's current prepaid health plan enrollment, the availability of a third-party payment source, including the availability of total payment, partial payment, and amount of co-payment.</p> <p>(e) The local agency must provide the required eligibility information to the department in the manner specified by the department.</p> <p>(f) <u>(e)</u> The local agency <u>commissioner</u> shall require the client and policyholder to conditionally assign to the department the client and policyholder's rights and the rights of minor children to benefits or services provided to the client if the department is required to collect from a third-party pay source.</p> <p>(g) <u>(f)</u> The local agency <u>commissioner</u> must redetermine <u>determine</u> a client's eligibility for the behavioral health fund every 12 months <u>for a 60-consecutive-calendar-day period per calendar year</u>.</p> <p>(h) <u>(g)</u> A client, responsible relative, and policyholder must provide income or wage verification, household size verification, and must make an assignment of third-party payment rights under paragraph (f) <u>(e)</u>. If a client, responsible relative, or policyholder does not comply with the provisions of this subdivision, the client is ineligible for behavioral health fund payment for substance use disorder treatment, and the client and responsible relative must be obligated to pay for the full cost of substance use disorder treatment services provided to the client.</p>		
254B.04, Subd. 6a	Subd. 6a. Span of eligibility. The local agency must enter the financial eligibility span within five business days of a request. If the comprehensive assessment is completed within the timelines	Subd. 6a. Span of eligibility. The local agency <u>commissioner</u> must enter the financial eligibility span within five business days of a request. If the comprehensive assessment is completed within the	July 1, 2026	HF 3 Chapter 9,

	required under chapter 245G, then the span of eligibility must begin on the date services were initiated. If the comprehensive assessment is not completed within the timelines required under chapter 245G, then the span of eligibility must begin on the date the comprehensive assessment was completed.	timelines required under chapter 245G, then the span of eligibility must begin on the date services were initiated. If the comprehensive assessment is not completed within the timelines required under chapter 245G, then the span of eligibility must begin on the date the comprehensive assessment was completed.		Article 4, Section 30
254B.09, Subd. 2	Subd. 2. American Indian agreements. The commissioner may enter into agreements with federally recognized Tribal units to pay for substance use disorder treatment services provided under Laws 1986, chapter 394, sections 8 to 20. The agreements must clarify how the governing body of the Tribal unit fulfills local agency responsibilities regarding the form and manner of invoicing.	Subd. 2. American Indian agreements. The commissioner may enter into agreements with federally recognized Tribal units to pay for substance use disorder treatment services provided under Laws 1986, chapter 394, sections 8 to 20. The agreements must clarify how the governing body of the Tribal unit fulfills local agency <u>the Tribal unit's</u> responsibilities regarding the form and manner of invoicing.	July 1, 2026	HF 3 Chapter 9, Article 4, Section 36
254B.01, Subd. 5	Subd. 5. Local agency. "Local agency" means the agency designated by a board of county commissioners, a local social services agency, or a human services board authorized under section 254B.03, subdivision 1, to determine financial eligibility for the behavioral health fund.	Repealed	July 1, 2026	HF 3 Chapter 9, Article 4, Section 57