



Thursday Connections with SUD at DHS

Nov. 20, 2025

Brought to you by Substance Use Disorder Unit in the Behavioral Health Administration.

Agenda

- 3:00 Logistics & Introductions
- 3:05 **Legislative Changes** to SUD Services
- 3:25 **Peer Recovery Support** Utilization Management
- 3:30 **ASAM 4** Implementation Work Group
- 3:35 **1115 Reentry** Demonstration Supporting Justice Involved Individuals
- 3:50 **Sober Home Scan**
- 3:55 Next SUD **Community of Practice**
- 4:00 Close

Meeting Logistics



All attendees, except presenters, will remain muted.



To save bandwidth, please keep cameras off.



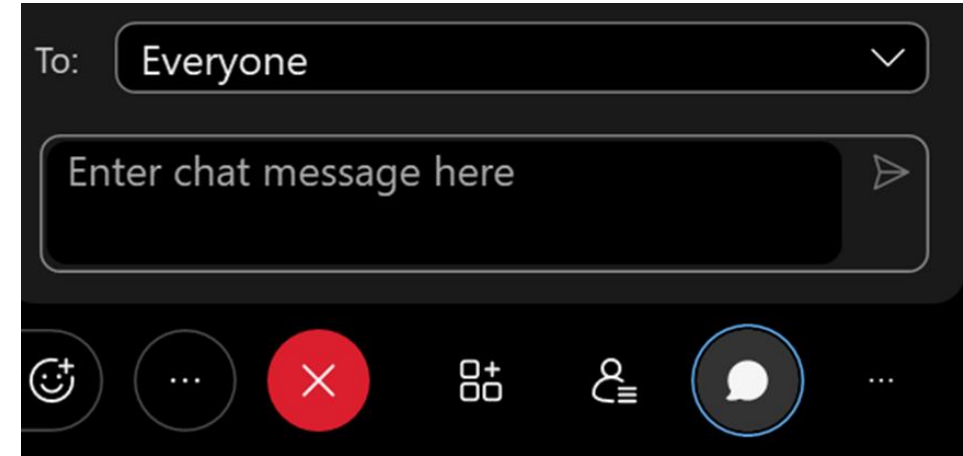
We will work to address all questions during the time allotted.



A summary of questions, comments and responses will be posted on the Thursday Connections with SUD webpage.

Using Chat

1. Submit questions in the chat
2. Questions submitted via chat will be addressed during Q&A portion of meeting
3. Post chat questions to everyone to allow for all attendees to see conversation
4. Refrain from using chat during presentations



Use chat feature to enter questions



Policy & Reform Team



Amelia Fink,
Supervisor



Legislative Changes to SUD Services

Leah Wachter, SUD Policy and Reform Team

2025 legislative session resulted in multiple changes to Substance Use Disorder (SUD) rates and services

- Rate adjustments for select services January 1, 2026
- Annual rate adjustments starting January 1, 2027
- Changes to SUD treatment services July 1, 2026
- New outpatient billing codes and rates July 1, 2026

Details can be found on the [DHS SUD Reform website](#)



Effective on date indicated or upon federal approval, whichever is later

Section 254B.0509, added by [Chapter 9, Article 4, Section 34](#):

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

- 1) for low-intensity residential services, 100 percent of the modeled rate*;
- 2) for high-intensity residential services, 83 percent of the modeled rate*; and
- 3) for treatment coordination services, 100 percent of the modeled rate*.

*Modeled rates in the final report required by Laws 2021, First Special Session chapter 7, article 17, section 18 ([Minnesota Health Care Programs Fee for Service Outpatient Services Rates Study](#))

Rates Adjustments

Rate adjustments effective January 1, 2026, or upon federal approval:

Service	Current Rate	Modeled Rate	New Rate
Adult High Intensity Residential (per day rate)	\$230.78	\$355.02	83% of model = \$294.67
Adult Low Intensity Residential* (per day rate)	\$82.24	\$216.90	100% of model = \$216.90
Outpatient Treatment Coordination (per 15-minute rate)	\$11.71	\$37.13	100% of model = \$37.13

*Only applies to H2036 UD (minimum 5 hours of skilled treatment services per week). Low Intensity Residential with a minimum of 15 hours of skilled treatment services per week was not part of the rate study, so the rate for H2036 TF will stay \$171.11 per day.

Rates Adjustments

Section 254B.0509, added by [Chapter 9, Article 4, Section 34:](#)

Subd. 2.**Annual adjustments.** Effective January 1, 2027, and annually thereafter, the commissioner of human services must adjust the payment rates under subdivision 1 according to the change from the midpoint of the previous rate year to the midpoint of the rate year for which the rate is being determined using the Centers for Medicare and Medicaid Services Medicare Economic Index as forecasted in the fourth quarter of the calendar year before the rate year.

We are hoping for a technical fix in the upcoming legislative session to clarify the intent, which was for all SUD services to receive the annual rate adjustment.

July 1, 2026: Big Picture



New types and descriptions for SUD treatment services in statute 245G.07

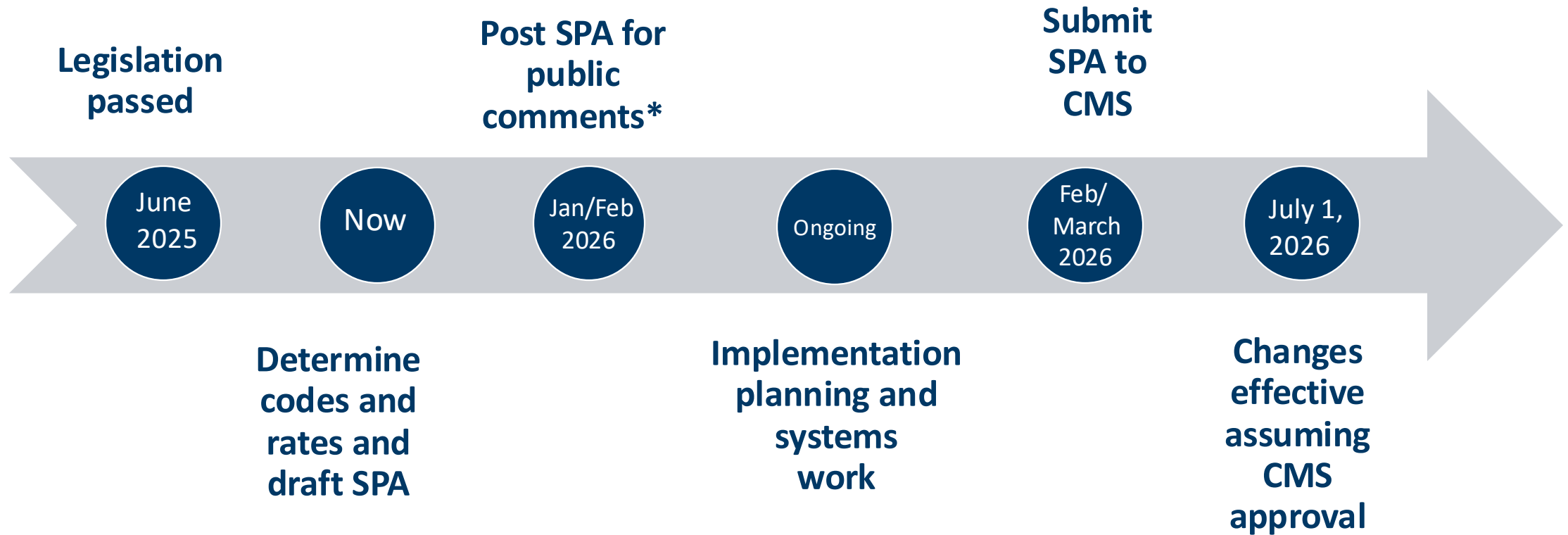


New outpatient procedure codes needed for the new services



All changes require federal approval first

SUD Services and Codes



*Sign up to receive emails when DHS is seeking public comment on proposed state plan amendments:

<https://mn.gov/dhs/partners-and-providers/news-initiatives-reports-workgroups/minnesota-health-care-programs/spa.jsp>

245G Treatment Services with minor changes ([HF 3/Chapter 9, Article 4](#))

Current SUD Treatment Services	7/1/26 SUD Treatment Services	Difference
Counseling (individual/group)	Counseling (individual/group)	Some change in description
Client education (individual/group)	Psychoeducation (individual/group)	Some change in description
Treatment coordination (individual)	Treatment coordination (individual)	Some change in description
Peer recovery support (individual)	Peer recovery support (individual)	Technical change in description

245G Treatment Services with minor changes ([HF 3/Chapter 9, Article 4](#))

Current SUD Treatment Services	7/1/26 SUD Treatment Services	Difference
Service to help integrate gains (individual/group)	Not listed in 245G.07	Determined not to be a distinct treatment service type
Service to address co-occurring disorders (individual/group)	Not listed in 245G.07 (note: no changes to co-occurring requirements in 245G.20 or 254B.0507)	Incorporated into counseling description
Room, board, and supervision at the treatment site	Not listed in 245G.07 (note: no change to room and board billing)	No longer included in 245G.07 because it is a component of residential treatment but not actually a treatment service

245G treatment services with substantial changes ([HF 3/Chapter 9, Article 4](#))

Current SUD Treatment Services	7/1/26 SUD Treatment Services	Difference
Additional services: Provided by an ADC/qualified professional	Recovery support services: Provided by a behavioral health practitioner	<p>Behavioral health practitioner qualifications are equivalent to mental health practitioner in 245I.04, subdivision 4.</p> <p>Behavioral health practitioners must receive supervision from an ADC or MHP who has substance use treatment and assessments within their scope of their practice</p>

245G treatment services with substantial changes ([HF 3/Chapter 9, Article 4](#))

Current SUD Treatment Services	7/1/26 SUD Treatment Services	Difference
<p>Additional services (individual/group)</p> <ul style="list-style-type: none">• Relationship counseling• Therapeutic recreation• Stress management and physical well-being• Living skill development• Employment or educational services• Socialization skill development	<p>Recovery support services (individual/group)</p> <ul style="list-style-type: none">• Support in skills such as health and health care navigation and self-care• Resources and assistance for parenting, financial management, pro-social behavior, education, employment, and nutrition• Assist with skills to restore functioning and routines for community integration• Provide support to restore stability and functioning (helping to respond to or avoid triggers, assisting to identify potential crises and develop a plan to address them)	<p>Some overlap in intent of skills to be developed, but recovery support services are intended to be a supportive service that does not have to be provided by a licensed professional. This aligns with recovery support services in the ASAM standards.</p>

SUD Services



Each ASAM level of care requires a certain amount of treatment services to be provided

ASAM levels and hours (254B.19, subd. 1)	Current	Effective 7/1/26 or upon federal approval
<ul style="list-style-type: none">• Level 1.0: up to 8 hours per week for adults and 5 hours per week for adolescents.• Level 2.1: 9 to 19 hours per week for adults and 6 or more hours per week for adolescents.• Level 2.5: 20 hours or more per week• Level 3.1: at least 5 hours per week• Level 3.5: daily services	<ul style="list-style-type: none">• Amounts are for “skilled treatment services” which are any service in 245G.07 except treatment coordination, peer recovery support services, and room and board.• The other services may be provided in addition to the required hours of skilled treatment services.	<ul style="list-style-type: none">• Amounts will be for “psychosocial services” which is counseling and psychoeducation only.• Recovery support services, treatment coordination, and peer recovery support services may be provided in addition to the required hours of psychosocial services.

HF 3 (Chapter 9), Art. 4, Sec. 53:

The commissioner of human services **must establish six new billing codes for nonresidential** substance use disorder individual and group counseling, individual and group psychoeducation, and individual and group recovery support services. The commissioner **must identify reimbursement rates** for the newly defined codes and update the substance use disorder fee schedule. The **new billing codes must correspond to a 15-minute unit** and become effective for services provided on or after July 1, 2026, or upon federal approval, whichever is later.

SUD Codes

Current Billing Options		Billing Options Effective 7/1/26 (pending approval)
Individual treatment H2035 1 hour unit (ending 7/1/26)		Individual counseling 15-minute unit
		Individual psychoeducation 15-minute unit
		Individual recovery support 15-minute unit
Group treatment H2035 HQ 1 hour unit (ending 7/1/26)		Group counseling 15-minute unit
		Group psychoeducation 15-minute unit
		Group recovery support 15-minute unit

No change to codes or rates for treatment coordination, peer recovery support, or comprehensive assessments

SUD Codes

New Services Effective 7/1/26 (pending approval)	Potential Procedure Code*
Individual counseling	H0004 with modifier U8
Group counseling	H0005 with modifier U8
Individual psychoeducation	H2027 with modifier U8
Group psychoeducation	H2027 with modifiers U8 HQ
Individual recovery support	H2017 with modifier U8
Group recovery support	H2017 with modifiers U8 HQ

*Procedure codes and rates, including for the service enhancements under 254B.0507, are still being finalized

Things to note:

- U8 modifier needed to identify SUD services because codes already used for other services types
- The SPA with proposed rates will be posted for public comment when ready, hopefully **early 2026**
- We are looking at ways to identify ASAM level of care for each outpatient claim

More Information Coming Soon!

DHS plans to develop guidance and resources for providers to support this transition. Please send your questions about implementing treatment service changes to SUD.Direct.Access.DHS@state.mn.us so they can be incorporated.

Thank You!

Peer Recovery Support UM begins January 1, 2026

- Beginning Jan. 1, 2026, recovery community organizations (RCOs) and SUD treatment programs enrolled with Minnesota Health Care Programs (MHCP) will have up to 10% of their peer recovery support service claims reviewed for fee-for-service and behavioral health funded individuals. [254B.0505, subd 8](#).
- Acentra Health will complete these reviews.
 - Beginning January 2026 and onward.
 - Post-payment reviews of documentation for medical necessity and to ensure provider notes reflect the need for peer services.
- To better understand Acentra's role they are offering training on the requirements for submissions. Registration is required. Identical training. Click on the following links to register.
 - [Dec. 5, 2025 session](#)
 - [Jan. 5, 2026 session](#)

ASAM 4 Implementation Work Group



NIATx contract initiated on 11/17/2025



Internal and external reviewers selected



Review team identified



Two rounds of reviews scheduled



Participants identified and notified in early December



Special Projects Team



Christy Mollert,
Manager



Recovery Housing Team



Design Team



Reentry Team

1115 Reentry Demonstration Supporting Justice Involved Individuals

Background

- The 1115 waiver allows for incarcerated individuals to receive Medicaid benefits up to 90 days pre-release.
- Services are geared towards substance use, mental health, and chronic medical concerns.
- The waiver ensures participating individuals receive 30-day supply of medications, case management, and MOUD services.

- The DOC identified three pilot prisons.
- There will be five jails; one of which will be tribally owned/operated or comprised of disproportionately American Indian incarcerated persons.
- An RFP for capacity building was published on September 19th and closed on November 14th.
 - Applications are currently under review. Selected applicants will be identified by December 30th.

Community Working Group

1115 Reentry Demonstration Supporting Justice Involved Individuals

- DHS, in collaboration with the DOC, must convene a reentry services working group to consider ways to improve the demonstration.
- Membership includes counties, tribal partners, community organizations, and individuals with lived experience.
- Meets monthly to collaborate and provide guidance on the 1115 Demonstration.

Next Steps

1115 Reentry Demonstration Supporting Justice Involved Individuals

- Drafting an implementation plan for CMS.
- Collaborating with pilot sites on building capacity to support the demonstration.
- Identifying an appropriate benefit set to serve justice involved persons.

Participate in MN's Sober Home Scan Survey

- Please complete [Minnesota's Sober Home Scan survey](#) if you're an individual or organization that currently operate, or have operated, a sober home or supportive housing facility in Minnesota within the last 12 months.
- **This will be used as a tool to help shape future policies and guide efforts to support those living and working in the sober housing field.**
- Takes 10-15 minutes to complete.
- Survey will close January 16, 2026.
- Encourage others in your network to complete the survey too! Share the [survey website](#).

Join us! SUD Community of Practice

Upcoming
Wednesday,
December 17th
9:30 a.m. – 11
a.m.

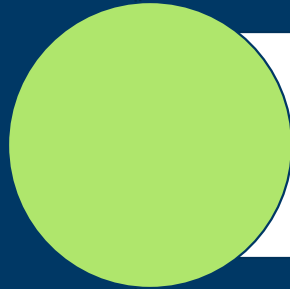


[RSVP Link](#)

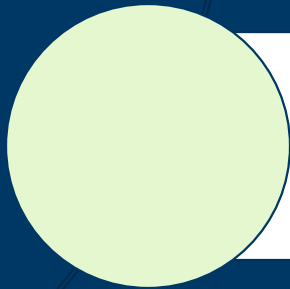
For more information, visit the
[SUD CoP webpage.](#)



January 15, 2026, 3 – 4 p.m.



Note: no meeting in December



Held third Thursday of each month. No registration required, [join Webex](#) via the webpage.

Next Thursday Connections with SUD at DHS

Questions & Answers

What questions do you have for the SUD Unit today?

We will try to answer your questions at this meeting.

Questions that require more research will be posted within one month on the Thursday Connections with SUD at DHS webpage.



Thank You!

For updates about future meetings and responses to questions not answered during this meeting, please visit the [Thursday Connections with SUD at DHS webpage](#).