

September 2025

Mental Health Clinics: Implementation plan for 2025 legislative changes

New laws passed by the 2025 Legislature include several provisions that impact mental health clinics. This document outlines an overview of each change, instructions for what programs need to do about the change, and the date the change is effective.

The hyperlinks within this document direct license holders to where the new laws can be found. When reviewing the new laws:

- Text that is stricken with a line through it reflects words that are being removed from the law.
- Text that is underlined reflects words that are being added to the law.
- Text that is unchanged reflects what the law was before and continues to be the law.

Note that Minnesota Statutes 2024 will be updated with the changes from 2025 in the fall of 2025.

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Effective August 1, 2025

Anti-kickback

The session law updates anti-kickback statutes to state that offering, giving, soliciting, or receiving anything of value to influence referrals or services could result in administrative sanctions, such as withholding payments or recovering overpayments. Providing services contingent on billing Medicaid or the Behavioral Health Fund may constitute a kickback. The session law also adds kickbacks to the MN criminal code.

Laws of MN, [chapter 38, article 5, sections 27, 28, and 32](#). Amends [Minnesota Statutes 2024, section 256.98, subdivision 1](#), [Minnesota Statutes 2024, section 256B.064, subdivision 1a](#) and adds new section 609.542.

What programs need to do

Evaluate your program's services and any incentives associated with providing services to clients to determine if they may constitute a kickback. If needed, update policies and procedures and provide education and staff trainings on kickbacks and any programmatic changes.

Program-specific questions about kickbacks should be directed to your legal counsel. DHS is not able to provide legal advice.

Training on the program's drug and alcohol policy

Beginning August 1, 2025, license holders must provide training to employees, subcontractors, and volunteers on the program's drug and alcohol policy *before the employee, subcontractor, or volunteer has direct contact with a person served by the program*. The drug and alcohol training is an existing training requirement, an addition to statute was made to clarify the timing of the training. Section 245C.02 subdivision 11 provides a definition of direct contact.

Laws of MN, [chapter 38, article 5, section 5](#). Amends [Minnesota Statutes 2024, section 245A.04, subdivision 1](#).

What programs need to do

Programs must update policies, procedures, and staff training documentation to meet the new requirements. Ensure that the training is completed before direct contact with a person served by the program. Maintain documentation of all training transcripts in staff personnel files.

Direct observation documentation

Clarifies progress note approvals for the direct observations of mental health behavioral aides and mental health rehabilitation workers. The staff person performing the direct observation must approve of the progress note twice per month for the first six months of employment and as needed and identified in a supervision plan thereafter. Approval may be given through an attestation that is stored in the employee file.

This clarification will reduce paperwork for programs by reducing the amount of direct observations required after six months of employment. Additionally, this change provides flexibility for programs by allowing attestation of progress note approval that can be provided in a variety of formats.

Laws of MN, [chapter 38, article 4, section 25](#). Amends [Minnesota Statutes 2024, section 245I.06, subdivision 3](#)

What programs need to do

Update policies and procedures regarding direct observations and progress note approvals and train staff.

Tardive dyskinesia

Clarifies that initial training on medications, medication side effects, and additional training for medication administration must include training on tardive dyskinesia. Monitoring of medication effectiveness, side effects, and adverse reactions to medications must include monitoring for symptoms and signs of tardive dyskinesia.

For staff persons who are not a licensed prescriber, registered nurse, or licensed practical nurse, training about psychotropic medications and medication side effects must include training on tardive dyskinesia prior to administering medications to a client.

Mental health rehabilitation workers, mental health behavioral aides, or mental health practitioners must receive training on tardive dyskinesia in their training on psychotropic medications and medication side effects.

Laws of MN, [chapter 38, article 4, sections 23, 24 and 26](#). Amends [Minnesota Statutes 245I.05 subdivisions 3 and 5](#), and [245I.11 subdivision 5](#).

What programs need to do

If applicable, update training materials to include training on tardive dyskinesia and train staff.

Client grievances

Clarifies that clients may voice grievances and recommend policy and service changes, free from restraint, interference, coercion, discrimination, or reprisal, including threat of discharge in the client rights and protections section of 245I.

Laws of MN, [chapter 38, article 4, section 27](#). Amends [Minnesota Statutes 2024, section 245I.12, subdivision 5](#)

What programs need to do

Update grievance policy and procedures and train staff.

Effective January 1, 2026

License application and renewal fees

Effective January 1, 2026, license application fees and annual renewal fees will increase for most programs licensed by DHS. *Mental health clinics were exempt from application and renewal fee increases.* Application fees remain at \$500 (245A.10 subd. 3 (d)) and annual certification fees remain at \$1,550. (245A.10 subd. 4 (i)).

Laws of MN, [1st special session, chapter 9, article 10, sections 2, 6 and 8](#). Amends [Minnesota Statutes 2024, section 245A.10, subdivisions 3 and 4](#).

What programs need to do

No action is required.

Additional information

Audio-only telehealth

For telehealth service provision, audio-only communication between providers and patients was extended until July 1, 2027.

Laws of MN, [1st special session, chapter 3, article 8, section 1](#). Amends [Minnesota Statutes 2024, section 62A.673, subdivision 2](#).

Effective date: July 1, 2025

Terminology change

Changes the terms “mental health practitioner” and “mental health practitioners” to “behavioral health practitioner” and “behavioral health practitioner” throughout Minnesota Statutes 245I.

Laws of MN, [1st special session, chapter 9, article 4, section 56](#)

Effective date: July 1, 2025

Compliance education

Starting in 2027, DHS will make licensing compliance education available to all license holders. The education materials will include clear explanations about how to comply with licensing requirements.

Laws of Minnesota 2025, 1st Spec. Sess., chapter 9, article 2, section 2. Amends [Minnesota Statutes 2024, section 245A.042](#) with new subdivision 5.

Effective date: January 1, 2027