DEPARTMENT OF HUMAN SERVICES

Thursday Connections with SUD at DHS

July 16, 2026

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

Agenda

Time	Topic
2:00	Logistics & Introductions
2:05	BHF Eligibility Determination Transition from Counties to State
2:50	New SUD Treatment Services
3:20	Recovery Residence Certification Update
3:40	New Tobacco Legislation Changes
3:50	Reminders
4:00	Close

Meeting Logistics

This meeting is being recorded solely to assist with internal note-taking and to help generate a comprehensive Q&A document afterward.

All attendees, except presenters, will remain muted.

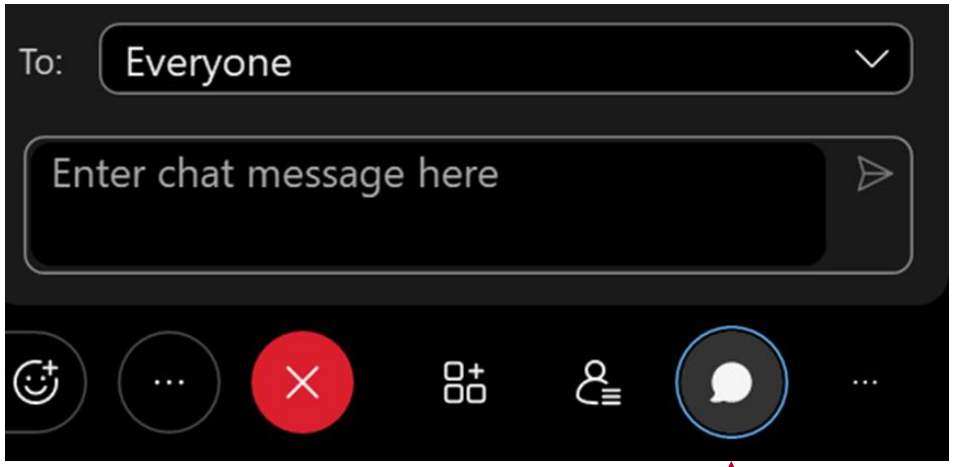
To save bandwidth, please keep cameras off.

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

Behavioral Health Fund (BHF) Eligibility Transition Update

Emilie Volkman | BHF Eligibility Supervisor

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What is the Behavioral Health Fund?

- **Behavioral Health Fund pays for SUD treatment for eligible clients:**
  - Meet income / household limits
  - NO active Medical Assistance
    - Unless incarcerated
  - Do NOT have insurance/Third party payer that covers 100% of SUD treatment cost
- **Designed to help individuals engage in SUD treatment with minimal barriers while pursuing other long-term funding source(s)**

Legislative Changes Effective July 1, 2026

- Eligibility Determination:
  - Tribes/Counties **TO** MN DHS
- County/Agency Financial Responsibility Determination:
  - Tribes/Counties **TO** MN DHS
- Eligibility Spans:
  - 1 year **TO** 60 days (with ability to request additional 60 days spans)
- Administrative Allocation:
  - Received by Tribes & Counties **TO** Received by Tribes
- Eligibility Determination Timeframes
  - 5 Business Days

On or Before June 30, 2026

- BHF eligibility determined by tribes/counties on or before 6/30/2026
    - 12-month eligibility span (no shortening of BHF eligibility spans for these cases)
- BHF Eligibility Determined by DHS on/after 7/1/2026:
    - 60-consecutive calendar day eligibility spans (even if start date is back-dated to before 7/1/2026)
- BHF Requests received by tribes/counties after 6/30/2026:
    - With proper HIPAA permission, send on to DHS
    - Direct clients to apply to DHS

The New Process

1. Requests submitted to DHS
2. DHS determines BHF eligibility AND County of Financial Responsibility within 5 business days of request receipt (day of receipt = day 0).
3. Eligibility span entered in MMIS (if eligible); 60-day OO span entered in MMIS within 5 business days of request receipt.
4. Notices sent to client & county (& other parties/providers identified on application)
    - Client receives eligibility notice with MA application guidance and appeal instructions
    - County (CFR) notified of both eligible and ineligible determinations
        - Includes notice of Living Arrangement & Third-Party Liability updates (to be entered by county)
5. Incomplete = Denied:
    - Missing information triggers a denial notice to the client identifying what's missing and how to resubmit.

THE NEW PROCESS - BHF Program Integrity Audit Starting July 1

1. BHF Eligibility Approved
2. Audit Selection: 10% of approved requests (every 10th approval)
3. Documentation Requested (sent with eligibility notice)
    - Selected recipients will receive request to provide documentation to validate their prospective 1-year household income and household size within 60 days
    - At application, applicants may voluntarily provide documentation of 1-year-prospective household income and household size. These documents will not be used to determine eligibility; will be retained for use if selected for program integrity audit.
4. DHS Verifies Eligibility
5. Determined Ineligible: Fund recovery processes
6. No Response: no further funding without documentation provided and eligibility verification

Subsequent Eligibility Requests

- When Clients Need More Than 60 Days in a Calendar Year
  - One 60-consecutive-day span per calendar year is the baseline.
    - Subsequent request approved if client continues to meet eligibility requirements.
  - Subsequent requests are processed using the SAME tools, forms, and timelines as initial requests. DHS does not have a separate process for subsequent requests.
    - If ongoing need, be sure to re-apply >5 business days before end of existing eligibility span

We Expect Most Subsequent Requests From:

- Clinical Need Beyond 60 days AND:
  - Completed MA Application (awaiting eligibility determination)
  - Underutilization of Prior Span
  - Systemic Barrier(s) to Access:
    - Incarceration, MA denial

Communication and Forms Improvements

- DHS BHF Inbox: to receive questions (dhs.BHF@state.mn.us)
- Updated BHF Request Form (DHS-2780A)
  - Submit by mail / electronically
  - Can give permission to communicate with others / providers / etc...

- Development of standardized communication forms for:
  - BHF Eligibility Application Received (sent to applicant)
  - BHF CFR Determination Notice (sent to tribe/county)
  - BHF CFR Dispute Form (to submit to DHS)
  - BHF Eligibility Approval Notice (sent to applicant / other identified parties)
  - BHF Eligibility Denial Notice (sent to applicant / other identified parties)
  - BHF Audit: Income & Household Size Documentation Form (to submit to DHS)

Online Improvements

- BHF Website: Need help paying for substance use disorder treatment? / Minnesota Department of Human Services
  - Complete BHF Request Form (DHS-2780A) electronically (preferred)
  - Submit BHF Request Form PDF

- Website updates:
  - What is BHF?
  - General Eligibility Criteria
    - How to determine your household size
    - How to calculate your household income
      - w/ calculator
    - Household Income Eligibility Chart
  - How to Appeal (Client Eligibility Denial, County/Agency of Financial Responsibility)

County/Agency Of Financial Responsibility

- **Determined (**Sec. 256G.02 MN Statutes**)**
  - **Tribal Members:** Member Tribe
  - **Open Social Services Case:** If client has an open, uninterrupted social service case, CFR = county with that case (earliest application date)
  - **Residence:** County of residence at time of application
  - **Excluded Time:** If in excluded-time residence, use county of residence immediately preceding excluded time (if in MN)
    - **Non-MN Preceding Residence:** If preceding excluded-time residence was out of state, CFR = county of residence at time of application

Action Items

- **Tribes:**
  - Determine interest in moving forward with contract development w/ DHS to complete future BHF Eligibility Determination for tribal members
- **Tribes / Counties:**
  - Identify contact email to receive notice of financial responsibility from DHS
    - Send to: Emilie.Volkman@state.mn.us
  - Consider pursuit of expanded SUD service offerings (ie: treatment coordination)
- **SUD Providers / Jails:**
  - Familiarize with updated website and resource information
  - Verify client BHF eligibility
    - Encourage clients to complete permission to share eligibility determination on application form (section 5)

Action Items

- **DHS:**
  - Working on updated communication guidance for incarcerated applicants / jails
    - Living arrangement updates that occur outside of eligibility application, go to county
  - Staff hiring: in process
  - Developing streamlined process for applicants without PMI#
  - Backlog catch up: to allow faster response times

New SUD Treatment Services Changes

Amelia Fink | SUD Policy & Reform Supervisor

Leah Wachter | SUD Adolescent Clinical Policy Lead

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Timeline and Updates

June 2025: Legislation passed → DHS work → Implement August 1, 2026

Overview

- For all SUD providers: New types and descriptions for SUD treatment services
- For outpatient SUD providers: New billing codes and units

Updates

- PowerPoint presentation from July 10 session posted
- Information on 2026 Changes (PDF) revised July 13
- Accounting for breaks in SUD treatment documentation and billing (PDF) posted
- Required notice given to MCOs (commercial insurance billing not under DHS jurisdiction)
- Communication was sent to CCBHCs about effective date of changes

245G treatment services change
(HF 3/Chapter 9, Article 4)

Repealed

Additional treatment service 245G.07, Subd. 2

- Relationship counseling; therapeutic recreation; stress management and physical well-being; living skills development; employment or educational services; socialization skills development
- Activities in this section are no longer treatment services unless they meet the requirements of another treatment service type (case-by-case, not directly transferable, may not be any)

Added

Recovery support 245G.07, Subd. 2a, (b)

- Assistance in restoring daily living ability affected by substance use, help with developing skills and routines for successful community integration, and support to restore the client's functioning and stability
- Optional service that may be provided by behavioral health practitioner as needed based on individual client needs and medical necessity

245G treatment services change – 2
(HF 3/Chapter 9, Article 4)

Psychosocial 245G.07, Subd. 2a

Term "psychosocial" comes from ASAM 4th Edition

- Category of services not a specific treatment service type
- Each service identified and billed as either counseling or psychoeducation

Same intent and overall definition of counseling and education

- Some change in wording of statute description
- Name change to psychoeducation to align with ASAM

Basis for ASAM level of care services (254B.19, Subd. 1)

- Required amounts of psychosocial services for each LOC
- Does not include recovery support, treatment coordination, or peer recovery

245G treatment services change – 3
(HF 3/Chapter 9, Article 4)

Effective August 1, 2026

The list of who can provide psychosocial treatment services (required by 245G.07, subd. 3, (b)) effective Aug. 1 is posted online: List of Professionals Qualified to Provide Treatment Services. It is similar to the previous list of professionals qualified to provide treatment services under the current treatment services descriptions but has been updated for psychosocial services specifically.

These professionals are not included on the list to provide psychosocial services:

- Licensed Pharmacist
- Physical Therapist
- Doctor of Chiropractic
- Licensed Acupuncturist
- Licensed Teacher with Family Education/Early Childhood, or Parent and Family Education
- Certified Therapeutic Recreation Specialist (CTRS) certified by National Council for Therapeutic Recreation Certification (NCTRC)

Counseling vs Psychoeducation

Counseling	Psychoeducation
Providing guidance in managing SUD and co-occurring disorders	Providing information about SUD and co-occurring disorders
Uses therapeutic interactions including individualized feedback and emotional processing	Uses educational approaches, including structured presentations, didactic teaching, and experiential learning
Exploration of a problem; examination of attitudes and feelings; consider alternative solutions; decision making (148F.01, subd, 10, (6))	Provision of information concerning alcohol and other drug abuse and the available services and resources (148F.01, subd, 10, (9))
Example: A counselor leads a group of clients to discuss recent triggers for substance use, explore why those triggers are difficult, and help each other develop strategies to stay sober.	Example: An instructor teaches a class on the signs of relapse and reviews a worksheet on developing a relapse prevention plan.

Documentation of services

Requirements related to identifying types of treatment services not changing

245G.06, Subd. 2a. **Documentation of treatment services.**
Requires that each treatment service provided to a client is documented, including the date, type, amount, and the client's response

245G.12, (10). **Provider policies and procedures**
Requires that the policies and procedures manual describes the program's treatment services, including the amount and type of services provided and which services meet the definition of group counseling specifically

Types of services effective Aug. 1:

Counseling (individual or group)		Psychoeducation (individual or group)
Treatment coordination	Recovery support (individual or group)	Peer recovery

SUD outpatient billing

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

New Services	Outpatient Procedure Code	Rate per 15-min unit
Individual counseling	H0004 with modifier U8	$21.63
Group counseling	H0005 with modifier U8 (does not need HQ)	$10.51
Individual psychoeducation	H2027 with modifier U8	$18.58
Group psychoeducation	H2027 with modifiers U8 HQ	$9.03
Individual recovery support	H2017 with modifier U8	$13.51
Group recovery support	H2017 with modifiers U8 HQ	$7.92

Things to note:

- H2035 / H2035 HQ can't be used for services provided after new codes are effective Aug. 1
- Rates based on qualifications required, complexity, and maximum group size for the service
- Eligible vendors of SUD service types listed in 254B.0501

Total Daily Units

Review the "Billable Units and Time Requirements" section of the MHCP Provider Manual

If a provider performs two or more of the same service for a client in a day:

- Billable unit for the day based on total combined minutes of service provided
- Only the actual number of minutes of service provided, not including breaks, is counted

Example: a client receives two group counseling services on the same day:

1) 9:03-9:45am with no breaks (client was 3 minutes late)
2) 10am-12pm with a break from 10:52 to 11:10

Total = 144 minutes (42 minutes + 52 minutes + 50 minutes) = 10 units

SUD outpatient billing
Modifiers

Modifiers for enhanced services

- Can be added to counseling and psychoeducation for approved providers
- See SPA or Information on 2026 Changes (PDF) for enhanced rates
- The modifier codes are not changing

Limit of 4 modifiers per claim

- U8 and HQ count towards the limit
- If there are concerns about exceeding 4 modifiers, email us with your specific example

SUD outpatient billing

Claim format and revenue codes

Claim format (837I or 837P)

- No longer implementing changes to claim formats
- Counseling and psychoeducation codes (H0004 U8, H0005 U8, H2027 U8, and H2027 U8 HQ):
  - Submit using the same format as you currently use for H2035 and H2035 HQ
  - Determine claim format based on type of provider and your specific billing requirements
- Recovery support codes (H2017 U8 and H2017 U8 HQ):
  - Can only be submitted as format 837P (same as treatment coordination and peer recovery)

Revenue Codes

- No longer implementing revenue codes specific to an ASAM level of care
- Continue to use existing revenue codes for outpatient services claims
  - 0944, 0945, or 0953

How should programs prepare?

Review treatment services policies and procedures (all programs):

- Remove “additional treatment services” and make sure differences between services is clear
- Make sure you have the required ASAM LOC psychosocial hours

If adding recovery support (all programs):

- Develop a behavioral health practitioner job description.
- Add to the treatment services description.

Develop billing protocols (outpatient):

- New codes specific to service type
- 15-minute units

Implement August 1, 2026

More Information

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

Please send your implementation questions to SUD.Direct.Access.DHS@state.mn.us

Subscribe to e-Memos to get email notifications on SUD news and updates, including updates on implementation of these changes

Recovery Residence Certification Update

Angie Dannewitz-Johnson

Recovery Support Services Policy Lead

Kayt Soine

Recovery Residence Supervisor

DEPARTMENT OF HUMAN SERVICES

Overview

Intro of new Recovery Residence (RR) Team

Certification timeline update

SNAPSHOTS: Certified Recovery Residence (CRR) applications, HSP interest forms, and NetStudy requests

CRR on HB101 integration

RR Portal update

RR Work Group update & ways to get involved

Newly Formed Recovery Residence Team

Supervisor

Kayt Soine

Certification and Oversight Specialists

Sam Ramsdell

Jennice Stewart

Ashley Wolf

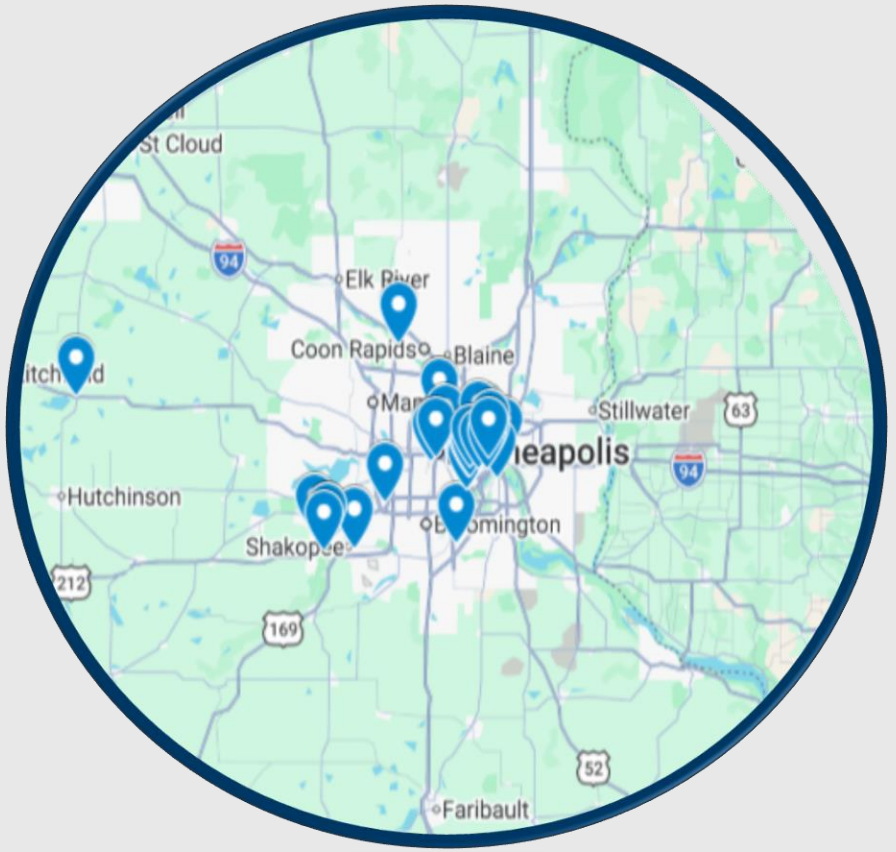
Email

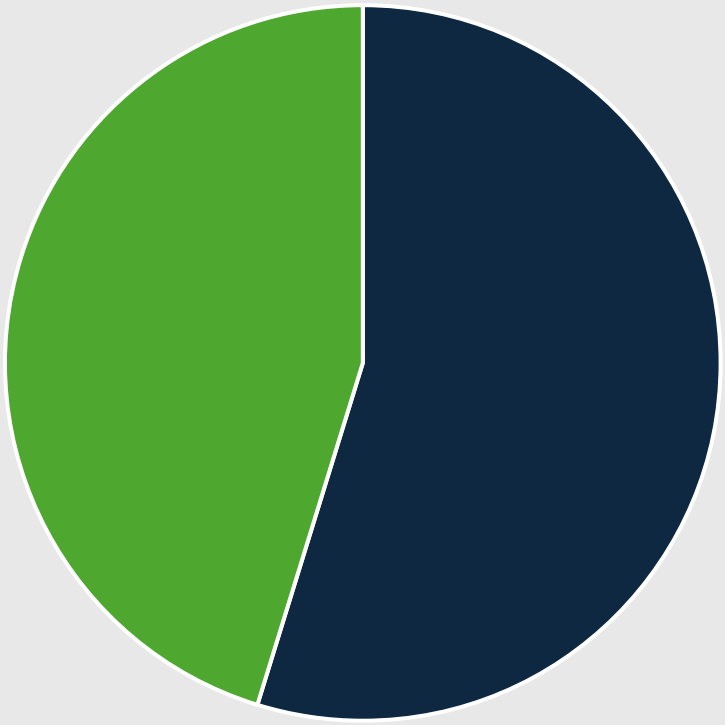
recovery_supports_BHA.dhs@state.mn.us

Certification Process Update

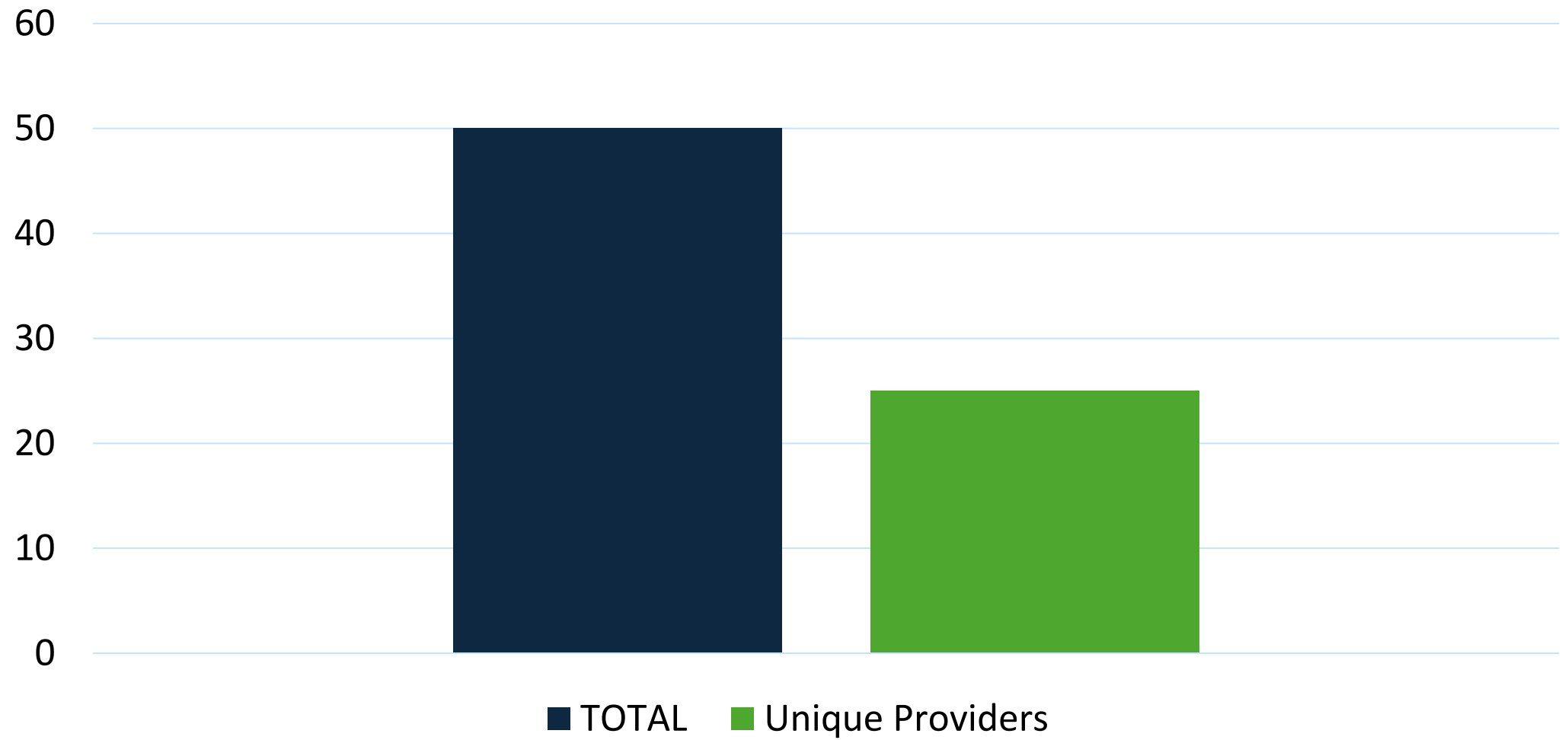
TIMEFRAME	WHAT'S HAPPENING?
Jan 1, 2027 vs. July 1, 2026	Original certification and Housing Support Program effective date vs. expedited timeline and new effective date
May-July	DHS internal work and collaboration to meet the legislative requirements of the certification process, dedicated complaints process and online registry for certified recovery residences.
July, week 1:	• New Recovery Residence team onboarded • Certification Application form and reference guides posted to the CRR website • First CRR application review started for current FSRB program
RIGHT NOW:	• RR Team and certification workflow is fully operational • Job posting for final certification specialist • Ongoing guidance and technical assistance for current and prospective residences
December 31, 2026	FSRB service eligibility end date

SNAPSHOT: Certification Applications

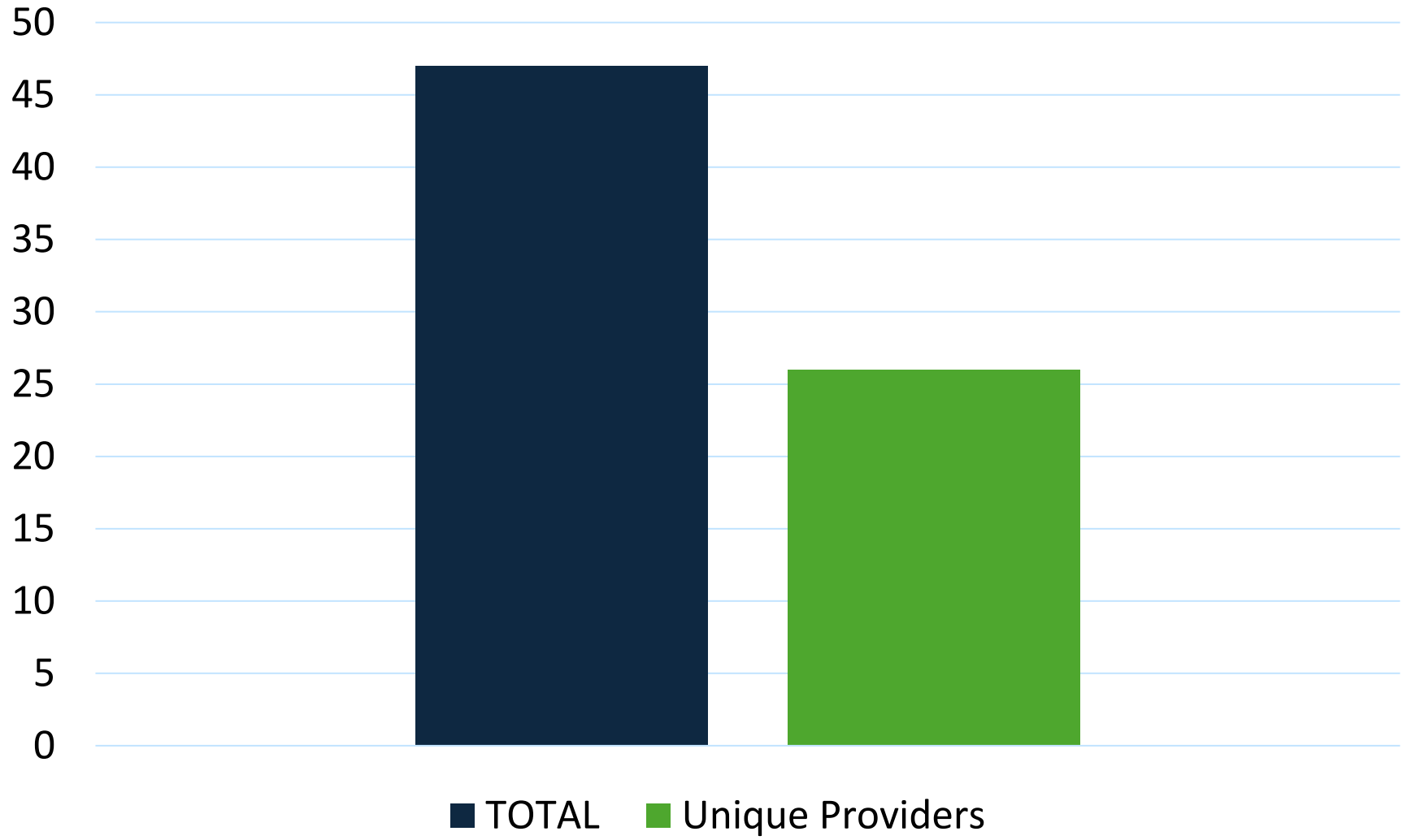




SNAPSHOT: Housing Support Program interest



SNAPSHOT: Background Studies



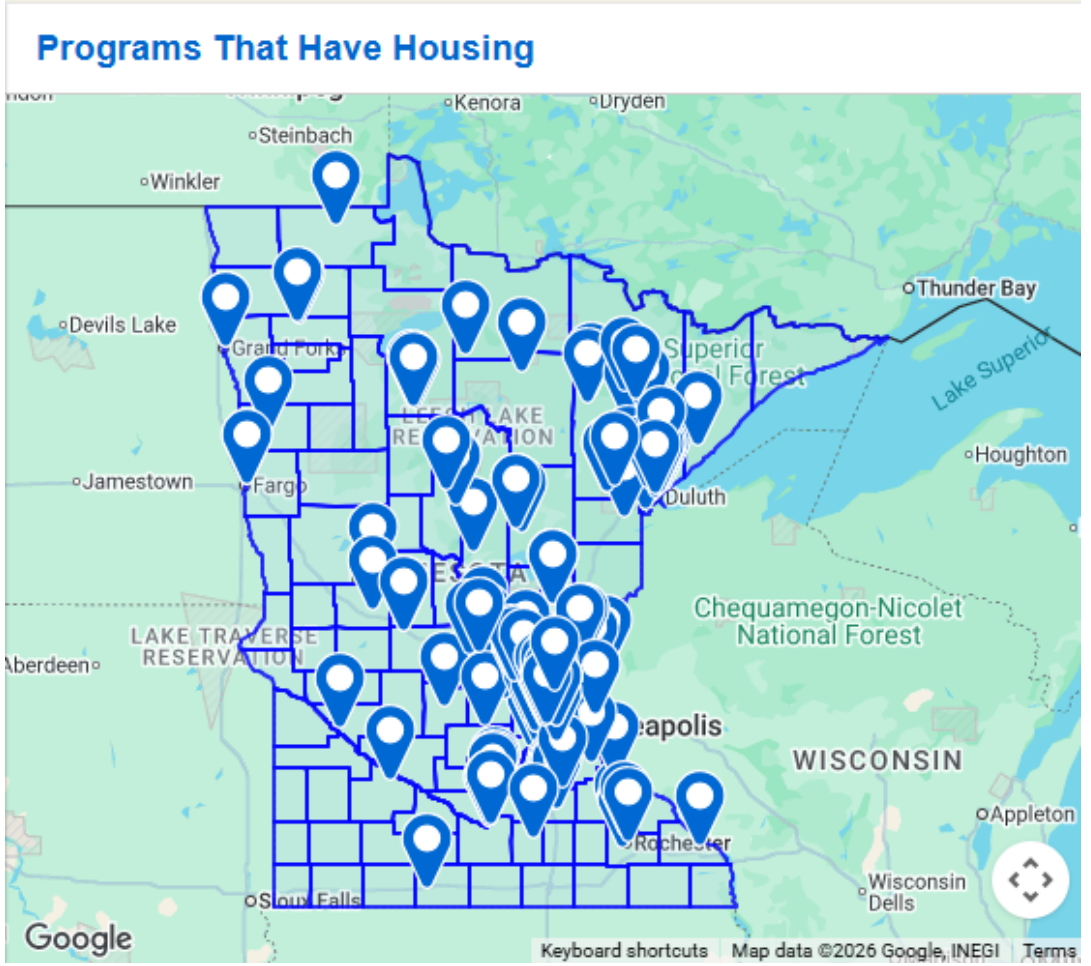
[HB101 Minnesota - HB101 Places]

Bethany Schwerr

Community Living Housing Infrastructure Specialist, HHSSA

Bethany.Schwerr@state.mn.us

hb101.places.dhs@state.mn.us



Recovery Residence Portal

Scope:

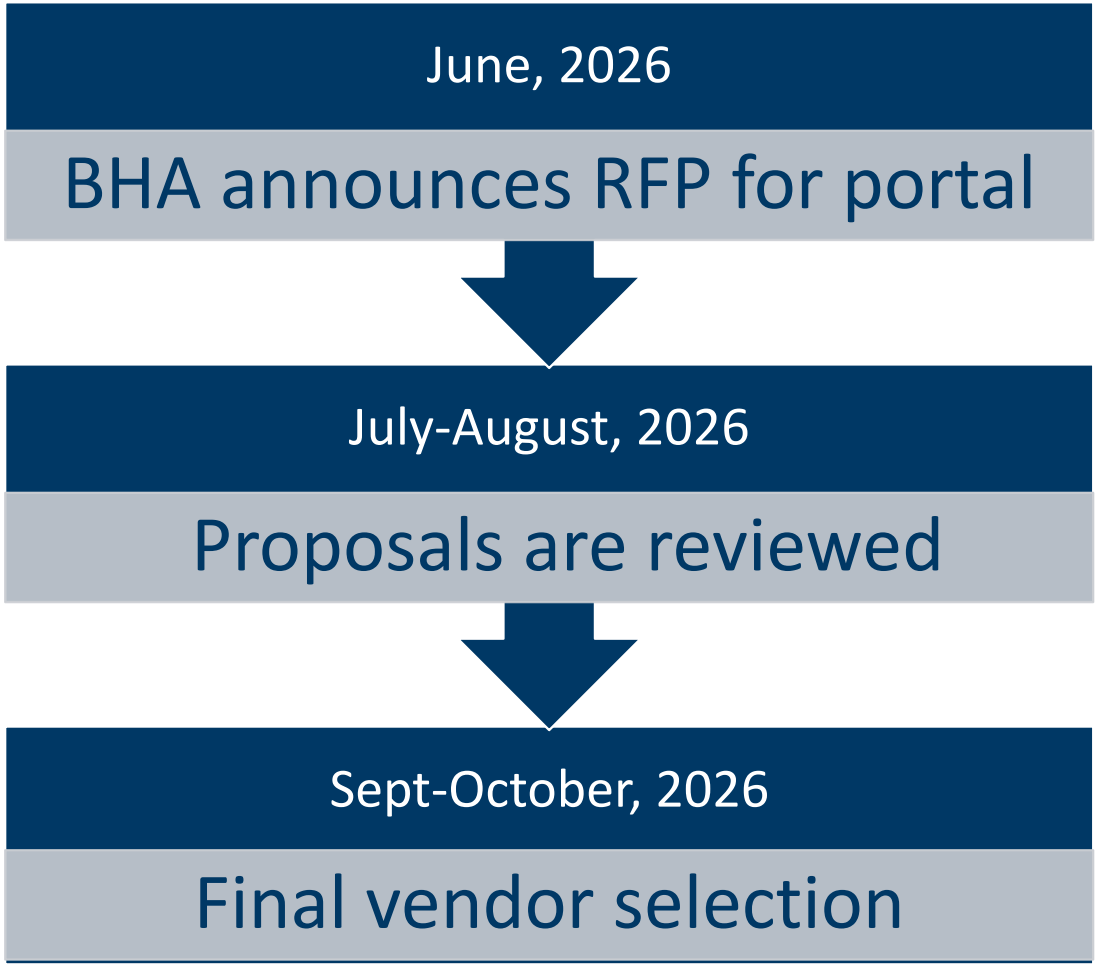
1. Facilitate the certification process
2. Provide a streamlined complaints process
3. Incorporate a statewide registry

Benefits to operators:

1. Centralized profile to manage multiple site locations
2. All certification documents housed in one place
3. Built-in notification reminders when re-certification is due

Benefits to the public:

1. Complaints can be submitted directly through the portal
2. Statewide registry will be automatically updated with information from the portal
    a. Registry will include public posting of correction orders issued by BHA



Recovery Residence Workgroup

- MN Legislature Special Session – 2025
- Members represent:
  - Treatment providers
  - County social services
  - DHS
  - Public Health
  - MASH
  - MAARCH
  - OMHDD
  - NARR
  - City Planning and Development departments
  - RR Operators
  - People with lived experience
- Monthly meetings: January – December
- Legislative report: Due Jan. 1, 2027

Ways to get involved:

- Attend monthly workgroup meetings
  - Email BeckyS@theimprovegroup.com for meeting info
- Watch for outreach emails from workgroup members
  - Asking for feedback on current recommendations

Thank You!

Angie Dannewitz-Johnson

angela.dannewitz-johnson@state.mn.us

recovery_supports_bha.dhs@state.mn.us

New Tobacco Legislation Changes

DEPARTMENT OF HUMAN SERVICES

Amy Stroman-Petersen| Nicotine & Cannabis Policy Lead

Tobacco Educational Material, Assessing for Tobacco & Nicotine Use

Effective January 1, 2027:

1) 245G programs must provide tobacco and nicotine educational material to a client on the day of service initiation (M.S. section 245G.04, subdivision 4)

- The educational material is a handout drafted by DHS and scheduled for an SUD provider feedback session on 8/5/26 *(see later slide*). The final version will be shared later this year.

2) 245G programs must document in client records having provided the tobacco and nicotine educational material (M.S. section 245G.09, subdivision 3)

3) Per 245I.10, Subdivision 6, assessors must gather, and document tobacco/nicotine use and treatment history as part of:

- Mental Health Diagnostic Assessments (DA)
- Comprehensive Assessments for Substance Use Disorder services (Comp Assessment)

New Tobacco Educational Requirement in 245G

Minnesota Statutes 2024, section 245G.04, is amended by adding a subdivision to read:

Subdivision 4. **Tobacco educational material.**

A license holder must provide tobacco and nicotine educational material to a client on the day of service initiation. The license holder must use educational material approved by the commissioner that contains information on:

(1) risks associated with use of tobacco or nicotine products;

(2) types of tobacco or nicotine products, including differentiating between commercial versus traditional or sacred tobacco;

(3) treatment options, including the use of medication for tobacco use disorder; and

(4) benefits of receiving treatment for tobacco or nicotine use while attending substance use disorder treatment for another primary substance.

Web page link: https://www.revisor.mn.gov/statutes/cite/245G.04

Client Records

Minnesota Statutes 2025 Supplement, section 245G.09, subdivision 3, is amended to read:

Subdivision 3. Contents. (a) Client records must contain the following:

(1) documentation that the client was given:

(i) information on client rights and responsibilities and grievance procedures on the day of service initiation;

(ii) information on tuberculosis and HIV within 72 hours of service initiation;

(iii) an orientation to the program abuse prevention plan required under section 245A.65, subdivision 2, paragraph (a), clause (4), within 24 hours of admission or, for clients who

would benefit from a later orientation, 72 hours; and

(iv) opioid educational material according to section 245G.04, subdivision 3, and tobacco educational material according to section 245G.04, subdivision 4, on the day of service initiation

https://www.revisor.mn.gov/statutes/cite/245G.09

New Assessment Criteria

245I.10 ASSESSMENT AND TREATMENT PLANNING

Subdivision 6. Standard diagnostic assessment; required elements.

Paragraph B, clause 9 and 11:

(9): the client's history of mental health and substance use disorder treatment, including but not limited to treatment for tobacco or nicotine use;

(11) substance use history, if applicable, including:

(i) amounts and types of substances, including but not limited to tobacco and nicotine products; frequency and duration, route of administration; periods of abstinence; and circumstances of relapse; and…

Paragraph D, clause 3:

(3) When completing a standard diagnostic assessment of a client who is 18 years of age or older, an assessor must use either (i) the CAGE-AID Questionnaire or (ii) the criteria in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association to screen and assess the client for a substance use disorder, including but not limited to tobacco use disorder.

Web page: https://www.revisor.mn.gov/statutes/cite/245I.10

Invitation to Provide Feedback

BHA is inviting SUD treatment providers to review and offer feedback on the “1 page” tobacco education handout.

When: Wednesday, August 5, 12 p.m. to 1:30 p.m.

Who should attend: Substance use disorder treatment staff in 245G licensed programs.

To register: Registration link

- E-memo with registration link was sent out this week, or see the link added to chat.

For any questions about this announcement, please contact Amy Stroman-Petersen at NicotinePolicy.DHS@state.mn.us

Next Thursday Connections with SUD at DHS

August 20th

3 – 4 p.m.

- Held third Thursday of each month. No registration required, join Webex via the webpage.

Join us!

August 19th

12:00 - 1:30 p.m.

RSVP Link

Focus: Intersection of Criminally Justice Involved & SUD

For more information, visit the SUD CoP webpage.

****Special Sessions****

Pathway to ASAM 4
Community Engagement

➔ **August 26, 12-1:30 p.m.**

Focus on ASAM Levels of Care

➔ **September 2, 12-1:30 p.m.:**

Focus on Clinical Documentation

RSVP to an upcoming special session

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Thank you for your continued partnership.

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