DEPARTMENT OF HUMAN SERVICES

SUD Treatment Services and Outpatient Billing Changes

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Amelia Fink | SUD Policy & Reform Supervisor

Leah Wachter | SUD Adolescent Clinical Policy Lead

Timeline and Updates

Legislation → DHS work → Implement

Overview:

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

Updates:

- Effective date: August 1st, 2026
- "Information on 2026 Changes (PDF)" revised June 16 and will be updated next week

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

Repealed Effective August 1, 2026

245G.07, Subd. 2. **Additional treatment service**

(1) relationship counseling provided by a qualified professional to help the client identify the impact of the client's substance use disorder on others and to help the client and persons in the client's support structure identify and change behaviors that contribute to the client's substance use disorder;

(2) therapeutic recreation to allow the client to participate in recreational activities without the use of mood-altering chemicals and to plan and select leisure activities that do not involve the inappropriate use of chemicals;

(3) stress management and physical well-being to help the client reach and maintain an appropriate level of health, physical fitness, and well-being;

(4) living skills development to help the client learn basic skills necessary for independent living;

(5) employment or educational services to help the client become financially independent;

(6) socialization skills development to help the client live and interact with others in a positive and productive manner;

(7) room, board, and supervision at the treatment site to provide the client with a safe and appropriate environment to gain and practice new skills;

245G treatment services change - 2

(HF 3/Chapter 9, Article 4)

Effective August 1, 2026

Subd. 2a. **Ancillary treatment service, paragraph (b)**

(b) A license holder **may** provide the following ancillary treatment services as a part of the client's individual treatment:

(1) **recovery support services** provided individually or in a group setting that include:

(i) supporting clients in restoring daily living skills, such as health and health care navigation and self-care to enhance personal well-being;

(ii) providing resources and assistance to help clients restore life skills, including effective parenting, financial management, pro-social behavior, education, employment, and nutrition;

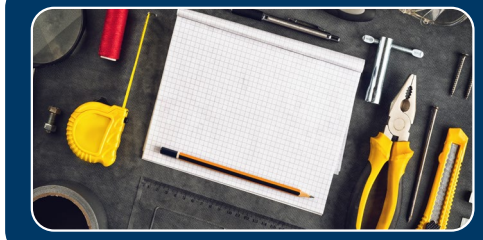
(iii) assisting clients in restoring daily functioning and routines affected by substance use and supporting them in developing skills for successful community integration; and

(iv) helping clients respond to or avoid triggers that threaten their community stability, assisting the client in identifying potential crises and developing a plan to address them, and providing support to restore the client's stability and functioning;

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

Additional Treatment Services vs Recovery Support

Both are optional treatment services that may be provided as needed based on individual client needs



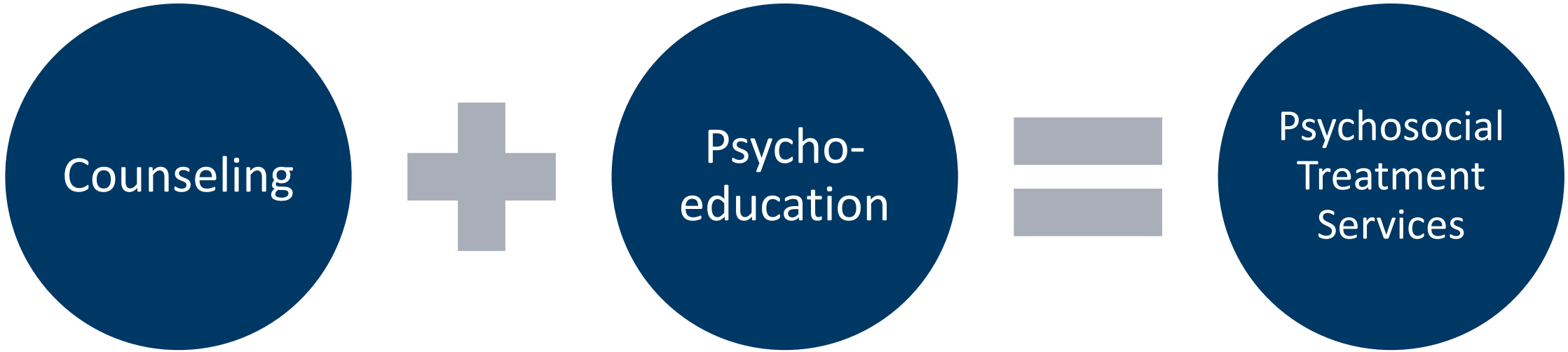
Some overlap in skill-building intent, so some of the Additional Treatments may now be Recovery Support

Recovery support services are provided by a behavioral health practitioner rather than a licensed professional

245G treatment services change - 4

(HF 3/Chapter 9, Article 4)

Effective August 1, 2026



- Term “psychosocial” comes from ASAM 4th Edition
  - Category of services, not a specific treatment service type
  - Services still need to be identified and billed as either counseling or psychoeducation
- Intent and overall definition of counseling and education services did not change
  - Some change in wording of statute description
  - Name change to psychoeducation to align with ASAM

245G treatment services change - 5

(HF 3/Chapter 9, Article 4)

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
Utilization of special skills to assist in achieving objectives through exploration of a problem and its ramifications; examination of attitudes and feelings; consideration of alternative solutions; and 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.

245G treatment services change - 6

(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)

254B.19 treatment services change

(HF 3/Chapter 9, Article 4)

ASAM levels and hours (254B.19, subd. 1)	Current	Revised
• 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	• 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.	• Amounts will be for "psychosocial services" which is counseling and psychoeducation only. • Recovery support, peer recovery, and treatment coordination may be provided in addition to the required amount of psychosocial services.

SUD Outpatient Billing - 1

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 Outpatient Billing - 2

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

New Services	Outpatient Procedure Code	Rate per 15-minute 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 will no longer be used for services provided after the new codes are effective Aug. 1 (possible exception for SUD providers that are part of a CCBHC and bill a daily bundled rate for services).
- The rate for each type of service was determined based on qualifications required to provide the service, complexity of the service, and maximum group size for that type of service.
- Eligible vendors of SUD service types listed in 254B.0501

SUD Outpatient Billing - 3

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

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

Note: although service time gets combined for billing, documentation is required for each treatment service. See 245G.06, subd. 2b for documentation requirements.

SUD Outpatient Billing - 4

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

Modifiers for enhanced services

- Can be added to counseling and psychoeducation for approved providers
- See SPA or Information 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 - 5

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

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):

- Is the difference between services clear, especially counseling and education?
- Will your psychosocial hours per week (counseling + education) match ASAM LOC requirements?

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, 15-minute units, specific to service type (counseling, education, recovery support).

Implement August 1, 2026

More Information

DHS posted Information on 2026 Changes (PDF) to support providers through this transition on the Substance Use Disorder Reform website.

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

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

DEPARTMENT OF HUMAN SERVICES

Thank You!