

109TH CONGRESS  
1ST SESSION

# S. 927

To amend title XVIII of the Social Security Act to expand and improve coverage of mental health services under the medicare program.

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IN THE SENATE OF THE UNITED STATES

APRIL 27, 2005

Mr. CORZINE (for himself, Mr. LAUTENBERG, Mr. SARBANES, Mr. JOHNSON, Ms. LANDRIEU, and Mr. KENNEDY) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend title XVIII of the Social Security Act to expand and improve coverage of mental health services under the medicare program.

1       *Be it enacted by the Senate and House of Representa-  
2 tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4       (a) IN GENERAL.—This Act may be cited as the  
5 “Medicare Mental Health Modernization Act of 2005”.

6       (b) TABLE OF CONTENTS.—The table of contents of  
7 this Act is as follows:

See. 1. Short title; table of contents.  
See. 2. Findings.

**TITLE I—ESTABLISHING PARITY FOR MENTAL HEALTH SERVICES**

Sec. 101. Elimination of lifetime limit on inpatient mental health services.  
Sec. 102. Parity in treatment for outpatient mental health services.

**TITLE II—EXPANDING COVERAGE OF COMMUNITY-BASED MENTAL HEALTH SERVICES**

Sec. 201. Coverage of intensive residential services.  
Sec. 202. Coverage of intensive outpatient services.

**TITLE III—IMPROVING BENEFICIARY ACCESS TO MEDICARE-COVERED SERVICES**

Sec. 301. Excluding clinical social worker services from coverage under the medicare skilled nursing facility prospective payment system and consolidated payment.  
Sec. 302. Coverage of marriage and family therapist services.  
Sec. 303. Coverage of mental health counselor services.  
Sec. 304. Study of coverage criteria for alzheimer's disease and related mental illnesses.

**1 SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) Older people have the highest rate of suicide  
4 of any population in the United States, and the sui-  
5 cide rate of that population increases with age, with  
6 individuals 65 and older accounting for 20 percent  
7 of all suicide deaths in the United States, while com-  
8 prising only 13 percent of the population of the  
9 United States.

10 (2) Disability due to mental illness in individ-  
11 uals over 65 years old will become a major public  
12 health problem in the near future because of demo-  
13 graphic changes. In particular, anxiety, dementia,  
14 depression, schizophrenia, among other conditions,  
15 will all present special problems for this age group.

(4) Anxiety disorders rival depression in their prevalence among older people with a rate of 11.4 percent in persons aged 55 and older.

12 (6) Unrecognized and untreated depression,  
13 Alzheimer's disease, anxiety, late-life schizophrenia,  
14 and other mental conditions can be severely impair-  
15 ing and may even be fatal.

1 of the elderly needs to recognize these special  
2 vulnerabilities.

3 (8) The disabled are another population receiving  
4 inadequate mental health care through medicare.  
5 According to the Centers for Medicare & Medicaid  
6 Services, medicare is the primary health care cov-  
7 erage for the 5,000,000 nonelderly, disabled people  
8 on Social Security Disability Insurance. Up to 40  
9 percent of these individuals have a diagnosis of men-  
10 tal illness.

11 (9) The current medicare benefit structure dis-  
12 crimинates against the millions of Americans who  
13 suffer from mental illness and maintains an out-  
14 dated bias toward institutionally based service deliv-  
15 ery. According to the report of the Surgeon General  
16 on mental health for 1999, intensive outpatient serv-  
17 ices, such as psychiatric rehabilitation and assertive  
18 community treatment, represent state-of-the-art  
19 mental health services. These evidence-based com-  
20 munity support services help people with psychiatric  
21 disabilities improve their ability to function in the  
22 community and reduce hospitalization rates by 30 to  
23 60 percent, even for people with the most severe  
24 mental illnesses.

1 **TITLE I—ESTABLISHING PARITY**  
2 **FOR MENTAL HEALTH SERVICES**

3 **SEC. 101. ELIMINATION OF LIFETIME LIMIT ON INPATIENT**  
4 **MENTAL HEALTH SERVICES.**

5 (a) **IN GENERAL.**—Section 1812 of the Social Secu-  
6 rity Act (42 U.S.C. 1395d) is amended—

7 (1) in subsection (b)—

8 (A) in paragraph (1), by adding “or” at  
9 the end;

10 (B) in paragraph (2), by striking “; or” at  
11 the end and inserting a period; and

12 (C) by striking paragraph (3); and

13 (2) by striking subsection (c).

14 (b) **EFFECTIVE DATE.**—The amendments made by  
15 subsection (a) shall apply to items and services furnished  
16 on or after January 1, 2006.

17 **SEC. 102. PARITY IN TREATMENT FOR OUTPATIENT MEN-**  
18 **TAL HEALTH SERVICES.**

19 (a) **IN GENERAL.**—Section 1833 of the Social Secu-  
20 rity Act (42 U.S.C. 1395l) is amended by striking sub-  
21 section (c).

22 (b) **EFFECTIVE DATE.**—The amendment made by  
23 subsection (a) shall apply to items and services furnished  
24 on or after January 1, 2006.

1 **TITLE II—EXPANDING COV-**  
2 **ERAGE OF COMMUNITY-**  
3 **BASED MENTAL HEALTH**  
4 **SERVICES**

5 **SEC. 201. COVERAGE OF INTENSIVE RESIDENTIAL SERV-**  
6 **ICES.**

7 (a) COVERAGE UNDER PART A.—Section 1812(a) of  
8 the Social Security Act (42 U.S.C. 1395d(a)) is amend-  
9 ed—

10 (1) in paragraph (4), by striking “and” at the  
11 end;

12 (2) in paragraph (5), by striking the period at  
13 the end and inserting “; and”; and

14 (3) by adding at the end the following new  
15 paragraph:

16 “(6) intensive residential services (as defined in  
17 section 1861(bbb)) furnished to an individual for up  
18 to 120 days during any calendar year, except that  
19 such services may be furnished to the individual for  
20 additional days (not to exceed 20 days) during the  
21 year if necessary for the individual to complete a  
22 course of treatment.”.

23 (b) SERVICES DESCRIBED.—Section 1861 of the So-  
24 cial Security Act (42 U.S.C. 1395x) is amended by adding  
25 at the end the following new subsection:

1                   “Intensive Residential Services

2        “(bbb)(1) Subject to paragraphs (3) and (4), the  
3 term ‘intensive residential services’ means a program of  
4 residential services (described in paragraph (2)) that is—

5                   “(A) prescribed by a physician for an individual  
6 entitled to, or enrolled for, benefits under part A  
7 who is under the care of the physician; and

8                   “(B) furnished under the supervision of a phy-  
9 sician pursuant to an individualized, written plan of  
10 treatment established and periodically reviewed by a  
11 physician (in consultation with appropriate staff par-  
12 ticipating in such services), which plan sets forth—

13                   “(i) the individual’s diagnosis,

14                   “(ii) the type, amount, frequency, and du-  
15 ration of the items and services provided under  
16 the plan, and

17                   “(iii) the goals for treatment under the  
18 plan.

19        In the case of such an individual who is receiving  
20 qualified psychologist services (as defined in sub-  
21 section (ii)), the individual may be under the care of  
22 the clinical psychologist with respect to such services  
23 under this subsection to the extent permitted under  
24 State law.

1       “(2) The program of residential services described in  
2 this paragraph is a nonhospital-based community residen-  
3 tial program that furnishes acute mental health services  
4 or substance abuse services, or both, on a 24-hour basis.  
5 Such services shall include treatment planning and devel-  
6 opment, medication management, case management, crisis  
7 intervention, individual therapy, group therapy, and de-  
8 toxification services. Such services shall be furnished in  
9 any of the following facilities:

10       “(A) Crisis residential programs or mental ill-  
11 ness residential treatment programs.

12       “(B) Therapeutic family or group treatment  
13 homes.

14       “(C) Residential detoxification centers.

15       “(D) Residential centers for substance abuse  
16 treatment.

17       “(3) No service may be treated as an intensive resi-  
18 dential service under paragraph (1) unless the facility at  
19 which the service is provided—

20       “(A) is legally authorized to provide such serv-  
21 ice under the law of the State (or under a State reg-  
22 ulatory mechanism provided by State law) in which  
23 the facility is located or meets such certification re-  
24 quirements that the Secretary may impose; and

1           “(B) meets such other requirements as the Sec-  
2        retary may impose to assure the quality of the inten-  
3        sive residential services provided.

4           “(4) No service may be treated as an intensive resi-  
5        dential service under paragraph (1) unless the service is  
6        furnished in accordance with standards established by the  
7        Secretary for the management of such services.”.

8        (c) AMOUNT OF PAYMENT.—Section 1814 of the So-  
9        cial Security Act (42 U.S.C. 1395f) is amended—

10           (1) in subsection (b), in the matter preceding  
11        paragraph (1), by inserting “other than intensive  
12        residential services,” after “hospice care,”; and

13           (2) by adding at the end the following new sub-  
14        section:

15           “Payment for Intensive Residential Services

16           “(m)(1) The amount of payment under this part for  
17        intensive residential services under section 1812(a)(6)  
18        shall be equal to an amount specified under a prospective  
19        payment system established by the Secretary, taking into  
20        account the prospective payment system established for  
21        psychiatric hospitals pursuant to section 124 of the Medi-  
22        care, Medicaid, and SCHIP Balanced Budget Refinement  
23        Act of 1999 (113 Stat. 1501A–332), as enacted into law  
24        by section 1000(a)(6) of Public Law 106–113.

1       “(2) Prior to the date on which the Secretary imple-  
2 ments the prospective payment system established under  
3 paragraph (1), the amount of payment under this part for  
4 such intensive residential services is the reasonable costs  
5 of providing such services.”.

6       (d) EFFECTIVE DATE.—The amendments made by  
7 this section shall apply to items and services furnished on  
8 or after January 1, 2006.

9 **SEC. 202. COVERAGE OF INTENSIVE OUTPATIENT SERV-  
10 ICES.**

11       (a) COVERAGE.—Section 1832(a)(2) of the Social Se-  
12 curity Act (42 U.S.C. 1395k(a)(2)) is amended—

13           (1) in subparagraph (I), by striking “and” at  
14 the end;

15           (2) in subparagraph (J), by striking the period  
16 at the end and inserting “; and”; and

17           (3) by adding at the end the following new sub-  
18 paragraph:

19           “(K) intensive outpatient services (as de-  
20 scribed in section 1861(cc)).”.

21       (b) SERVICES DESCRIBED.—Section 1861 of the So-  
22 cial Security Act (42 U.S.C. 1395x), as amended by sec-  
23 tion 201(b), is amended by adding at the end the following  
24 new subsection:

1                   “Intensive Outpatient Services

2        “(ccc)(1) The term ‘intensive outpatient services’  
3 means the items and services described in paragraph (2)  
4 prescribed by a physician and provided within the context  
5 described in paragraph (3) under the supervision of a phy-  
6 sician (or, to the extent permitted under the law of the  
7 State in which the services are furnished, a non-physician  
8 mental health professional) pursuant to an individualized,  
9 written plan of treatment that is established by a physi-  
10 cian and periodically reviewed by a physician or, to the  
11 extent permitted under the laws of the State in which the  
12 services are furnished, a non-physician mental health pro-  
13 fessional (in consultation with appropriate staff partici-  
14 pating in such services), which plan sets forth the patient’s  
15 diagnosis, the type, amount, frequency, and duration of  
16 the items and services provided under the plan, and the  
17 goals for treatment under the plan.

18       “(2)(A) The items and services described in this  
19 paragraph are the items and services described in sub-  
20 paragraph (B) that are reasonable and necessary for the  
21 diagnosis or treatment of the individual’s condition, rea-  
22 sonably expected to improve or maintain the individual’s  
23 condition and functional level and to prevent relapse or  
24 hospitalization, and furnished pursuant to such guidelines  
25 relating to frequency and duration of services as the Sec-

1     retary shall by regulation establish (taking into account  
2     accepted norms of clinical practice).

3         “(B) For purposes of subparagraph (A), the items  
4     and services described in this paragraph are as follows:

5             “(i) Psychiatric rehabilitation.

6             “(ii) Assertive community treatment.

7             “(iii) Intensive case management.

8             “(iv) Day treatment for individuals under 21  
9     years of age.

10            “(v) Ambulatory detoxification.

11            “(vi) Such other items and services as the Sec-  
12     retary may provide (but in no event to include meals  
13     and transportation).

14         “(3) The context described in this paragraph for the  
15     provision of intensive outpatient services is as follows:

16            “(A) Such services are furnished in a facility,  
17     home, or community setting.

18            “(B) Such services are furnished—

19                 “(i) to assist the individual to compensate  
20     for, or eliminate, functional deficits and inter-  
21     personal and environmental barriers created by  
22     the disability; and

23                 “(ii) to restore skills to the individual for  
24     independent living, socialization, and effective  
25     life management.

1           “(C) Such services are furnished by an individual or entity that—

3           “(i) is legally authorized to furnish such services under State law (or the State regulatory mechanism provided by State law) or meets such certification requirements that the Secretary may impose; and

8           “(ii) meets such other requirements as the Secretary may impose to assure the quality of 9           the intensive outpatient services provided.”.

11           (c) PAYMENT.—

12           (1) IN GENERAL.—With respect to intensive 13           outpatient services (as defined in section 14           1861(ccc)(1) of the Social Security Act (as added by 15           subsection (b)) furnished under the medicare program, the amount of payment under such Act for 16           such services shall be 80 percent of—

18           (A) during 2006 and 2007, the reasonable 19           costs of furnishing such services; and

20           (B) on or after January 1, 2008, the 21           amount of payment established for such services 22           under the prospective payment system established by the Secretary under paragraph (2) 23           for such services.

25           (2) ESTABLISHMENT OF PPS.—

1 (A) IN GENERAL.—With respect to intensive  
2 outpatient services (as defined in section  
3 1861(cc)(1) of the Social Security Act (as  
4 added by subsection (b)) furnished under the  
5 medicare program on or after January 1, 2008,  
6 the Secretary of Health and Human Services  
7 (in this paragraph referred to as the “Secretary”)  
8 shall establish a prospective payment  
9 system for payment for such services. Such system  
10 shall include an adequate patient classification  
11 system that reflects the differences in patient  
12 resource use and costs and shall provide  
13 for an annual update to the rates of payment  
14 established under the system.

15 (B) ADJUSTMENTS.—In establishing the  
16 system under subparagraph (A), the Secretary  
17 shall provide for adjustments in the prospective  
18 payment amount for variations in wage and  
19 wage-related costs, case mix, and such other  
20 factors as the Secretary determines appropriate.

21 (C) COLLECTION OF DATA AND EVALUA-  
22 TION.—In developing the system described in  
23 subparagraph (A), the Secretary may require  
24 providers of services under the medicare pro-  
25 gram to submit such information to the Sec-

4 (D) REPORTS TO CONGRESS.—Not later  
5 than October 1 of each of 2006 and 2007, the  
6 Secretary shall submit to Congress a report on  
7 the progress of the Secretary in establishing the  
8 prospective payment system under this para-  
9 graph.

10 (d) CONFORMING AMENDMENTS.—(1) Section  
11 1835(a)(2) of the Social Security Act (42 U.S.C.  
12 1395n(a)(2)) is amended—

13 (A) in subparagraph (E), by striking “and” at  
14 the end;

15 (B) in subparagraph (F), by striking the period  
16 at the end and inserting “; and”; and

17 (C) by inserting after subparagraph (F) the fol-  
18 lowing new subparagraph:

19                             “(G) in the case of intensive outpatient  
20                             services, (i) that those services are reasonably  
21                             expected to improve or maintain the individual’s  
22                             condition and functional level and to prevent re-  
23                             lapse or hospitalization, (ii) an individualized,  
24                             written plan for furnishing such services has  
25                             been established by a physician and is reviewed

1           periodically by a physician or, to the extent per-  
2           mitted under the laws of the State in which the  
3           services are furnished, a non-physician mental  
4           health professional, and (iii) such services are  
5           or were furnished while the individual is or was  
6           under the care of a physician or, to the extent  
7           permitted under the law of the State in which  
8           the services are furnished, a non-physician men-  
9           tal health professional.”.

10           (2) Section 1861(s)(2)(B) of the Social Security Act  
11           (42 U.S.C. 1395x(s)(2)(B)) is amended by inserting “and  
12           intensive outpatient services” after “partial hospitalization  
13           services”.

14           (3) Section 1861(ff)(1) of the Social Security Act (42  
15           U.S.C. 1395x(ff)(1)) is amended—

16               (A) by inserting “or, to the extent permitted  
17               under the law of the State in which the services are  
18               furnished, a non-physician mental health profes-  
19               sional,” after “under the supervision of a physician”  
20               and after “periodically reviewed by a physician”; and  
21               (B) by striking “physician’s” and inserting “pa-  
22               tient’s”.

23           (4) Section 1861(cc) of the Social Security Act (42  
24           U.S.C. 1395x(cc)) is amended—

15 (e) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to items and services furnished on  
17 or after January 1, 2006.

1   **TITLE III—IMPROVING BENE-**  
2   **FICIARY ACCESS TO MEDI-**  
3   **CARE-COVERED SERVICES**

4   **SEC. 301. EXCLUDING CLINICAL SOCIAL WORKER SERVICES**

5                   **FROM COVERAGE UNDER THE MEDICARE**  
6                   **SKILLED NURSING FACILITY PROSPECTIVE**  
7                   **PAYMENT SYSTEM AND CONSOLIDATED PAY-**  
8                   **MENT.**

9           (a) **IN GENERAL.**—Section 1888(e)(2)(A)(ii) of the  
10 Social Security Act (42 U.S.C. 1395yy(e)(2)(A)(ii)) is  
11 amended by inserting “clinical social worker services,”  
12 after “qualified psychologist services.”.

13           (b) **CONFORMING AMENDMENT.**—Section  
14 1861(hh)(2) of the Social Security Act (42 U.S.C.  
15 1395x(hh)(2)) is amended by striking “and other than  
16 services furnished to an inpatient of a skilled nursing facil-  
17 ity which the facility is required to provide as a require-  
18 ment for participation”.

19           (c) **EFFECTIVE DATE.**—The amendments made by  
20 this section shall apply to items and services furnished on  
21 or after January 1, 2006.

## 1 SEC. 302. COVERAGE OF MARRIAGE AND FAMILY THERA-

## 2 PIST SERVICES.

3 (a) COVERAGE OF SERVICES.—Section 1861(s)(2) of  
4 the Social Security Act (42 U.S.C. 1395x(s)(2)) is amend-  
5 ed—6 (1) in subparagraph (Y), by striking “and” at  
7 the end;8 (2) in subparagraph (Z), by adding “and” at  
9 the end; and10 (3) by adding at the end the following new sub-  
11 paragraph:12 “(AA) marriage and family therapist services  
13 (as defined in subsection (ddd));”.14 (b) DEFINITION.—Section 1861 of the Social Secu-  
15 rity Act (42 U.S.C. 1395x), as amended by sections  
16 201(b) and 202(b), is amended by adding at the end the  
17 following new subsection:

18 “Marriage and Family Therapist Services

19 “(ddd)(1) The term ‘marriage and family therapist  
20 services’ means services performed by a marriage and  
21 family therapist (as defined in paragraph (2)) for the diag-  
22 nosis and treatment of mental illnesses, which the mar-  
23 riage and family therapist is legally authorized to perform  
24 under State law (or the State regulatory mechanism pro-  
25 vided by State law) of the State in which such services  
26 are performed, provided such services are covered under

1 this title, as would otherwise be covered if furnished by  
2 a physician or as incident to a physician's professional  
3 service, but only if no facility or other provider charges  
4 or is paid any amounts with respect to the furnishing of  
5 such services.

6       “(2) The term ‘marriage and family therapist’ means  
7 an individual who—

8           “(A) possesses a master's or doctoral degree  
9 which qualifies for licensure or certification as a  
10 marriage and family therapist pursuant to State  
11 law;

12           “(B) after obtaining such degree has performed  
13 at least 2 years of clinical supervised experience in  
14 marriage and family therapy; and

15           “(C) is licensed or certified as a marriage and  
16 family therapist in the State in which marriage and  
17 family therapist services are performed.”.

18       (c) PROVISION FOR PAYMENT UNDER PART B.—Sec-  
19 tion 1832(a)(2)(B) of the Social Security Act (42 U.S.C.  
20 1395k(a)(2)(B)) is amended by adding at the end the fol-  
21 lowing new clause:

22                   “(v) marriage and family therapist  
23 services;”.

24       (d) AMOUNT OF PAYMENT.—

4 (A) by striking “and” before “(V)”; and

5 (B) by inserting before the semicolon at  
6 the end the following: “, and (W) with respect  
7 to marriage and family therapist services under  
8 section 1861(s)(2)(AA), the amounts paid shall  
9 be 80 percent of the lesser of (i) the actual  
10 charge for the services or (ii) 75 percent of the  
11 amount determined for payment of a psycholo-  
12 gist under subparagraph (L)”.

(2) DEVELOPMENT OF CRITERIA WITH RESPECT TO CONSULTATION WITH A PHYSICIAN.—The Secretary of Health and Human Services shall, taking into consideration concerns for patient confidentiality, develop criteria with respect to payment for marriage and family therapist services for which payment may be made directly to the marriage and family therapist under part B of title XVIII of the Social Security Act (42 U.S.C. 1395j et seq.) under which such a therapist must agree to consult with a patient's attending or primary care physician in accordance with such criteria.

1       (e) EXCLUSION OF MARRIAGE AND FAMILY THERA-  
2   PIST SERVICES FROM SKILLED NURSING FACILITY PRO-  
3   SPECTIVE PAYMENT SYSTEM.—Section 1888(e)(2)(A)(ii)  
4   of the Social Security Act (42 U.S.C. 1395yy(e)(2)(A)(ii)),  
5   as amended in section 301(a), is amended by inserting  
6   “marriage and family therapist services (as defined in sub-  
7   section (ddd)(1)),” after “clinical social worker services.”.

8       (f) COVERAGE OF MARRIAGE AND FAMILY THERA-  
9   PIST SERVICES PROVIDED IN RURAL HEALTH CLINICS  
10   AND FEDERALLY QUALIFIED HEALTH CENTERS.—Sec-  
11   tion 1861(aa)(1)(B) of the Social Security Act (42 U.S.C.  
12   1395x(aa)(1)(B)) is amended by striking “or by a clinical  
13   social worker (as defined in subsection (hh)(1)),” and in-  
14   serting “, by a clinical social worker (as defined in sub-  
15   section (hh)(1)), or by a marriage and family therapist  
16   (as defined in subsection (ddd)(2)),”.

17       (g) INCLUSION OF MARRIAGE AND FAMILY THERA-  
18   PISTS AS PRACTITIONERS FOR ASSIGNMENT OF  
19   CLAIMS.—Section 1842(b)(18)(C) of the Social Security  
20   Act (42 U.S.C. 1395u(b)(18)(C)) is amended by adding  
21   at the end the following new clause:

22           “(vii) A marriage and family therapist (as de-  
23       fined in section 1861(ddd)(2)).”.

1       (h) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to items and services furnished on  
3 or after January 1, 2006.

4 SEC. 303. COVERAGE OF MENTAL HEALTH COUNSELOR  
5 SERVICES.

6 (a) COVERAGE OF SERVICES.—Section 1861(s)(2) of  
7 the Social Security Act (42 U.S.C. 1395x(s)(2)), as  
8 amended in section 302(a), is amended—

11 (2) in subparagraph (AA), by inserting "and"  
12 at the end; and

17 (b) DEFINITION.—Section 1861 of the Social Secu-  
18 rity Act (42 U.S.C. 1395x), as amended by sections  
19 201(b), 202(b), and 302(b), is amended by adding at the  
20 end the following new subsection:

21 "Mental Health Counselor; Mental Health Counselor  
22 Services

23        “(eee)(1) The term ‘mental health counselor’ means  
24 an individual who—

1           “(A) possesses a master’s or doctor’s degree in  
2        mental health counseling or a related field;

3           “(B) after obtaining such a degree has per-  
4        formed at least 2 years of supervised mental health  
5        counselor practice; and

6           “(C) is licensed or certified as a mental health  
7        counselor or professional counselor by the State in  
8        which the services are performed.

9        “(2) The term ‘mental health counselor services’  
10      means services performed by a mental health counselor (as  
11      defined in paragraph (1)) for the diagnosis and treatment  
12      of mental illnesses which the mental health counselor is  
13      legally authorized to perform under State law (or the  
14      State regulatory mechanism provided by the State law) of  
15      the State in which such services are performed, provided  
16      such services are covered under this title, as would other-  
17      wise be covered if furnished by a physician or as incident  
18      to a physician’s professional service, but only if no facility  
19      or other provider charges or is paid any amounts with re-  
20      spect to the furnishing of such services.”.

21        (c) PAYMENT.—

22           (1) IN GENERAL.—Section 1833(a)(1) of the  
23        Social Security Act (42 U.S.C. 1395l(a)(1)), as  
24        amended by section 302(d), is amended—

25           (A) by striking “and” before “(W)”; and

1 (B) by inserting before the semicolon at  
2 the end the following: “, and (X) with respect  
3 to mental health counselor services under sec-  
4 tion 1861(s)(2)(BB), the amounts paid shall be  
5 80 percent of the lesser of (i) the actual charge  
6 for the services or (ii) 75 percent of the amount  
7 determined for payment of a psychologist under  
8 subparagraph (L)”.

21 (d) EXCLUSION OF MENTAL HEALTH COUNSELOR  
22 SERVICES FROM SKILLED NURSING FACILITY PROSPEC-  
23 TIVE PAYMENT SYSTEM.—Section 1888(e)(2)(A)(ii) of  
24 the Social Security Act (42 U.S.C. 1395yy(e)(2)(A)(ii)),  
25 as amended by sections 301(a) and 302(e), is amended

1 by inserting “mental health counselor services (as defined  
2 in section 1861(eee)(2)),” after “marriage and family  
3 therapist services (as defined in subsection (ddd)(1)),”.

4 (e) COVERAGE OF MENTAL HEALTH COUNSELOR  
5 SERVICES PROVIDED IN RURAL HEALTH CLINICS AND  
6 FEDERALLY QUALIFIED HEALTH CENTERS.—Section  
7 1861(aa)(1)(B) of the Social Security Act (42 U.S.C.  
8 1395x(aa)(1)(B)), as amended by section 302(f), is  
9 amended—

10 (1) by striking “or by a marriage” and insert-  
11 ing “by a marriage”; and

12 (2) by inserting “or a mental health counselor  
13 (as defined in subsection (eee)(1)),” after “marriage  
14 and family therapist (as defined in subsection  
15 (ddd)(2)),”.

16 (f) INCLUSION OF MENTAL HEALTH COUNSELORS AS  
17 PRACTITIONERS FOR ASSIGNMENT OF CLAIMS.—Section  
18 1842(b)(18)(C) of the Social Security Act (42 U.S.C.  
19 1395u(b)(18)(C)), as amended by section 302(g), is  
20 amended by adding at the end the following new clause:

21 “(viii) A mental health counselor (as defined in  
22 section 1861(eee)(1)).”.

23 (g) EFFECTIVE DATE.—The amendments made by  
24 this section shall apply to items and services furnished on  
25 or after January 1, 2006.

1 SEC. 304. STUDY OF COVERAGE CRITERIA FOR ALZ-  
2 HEIMER'S DISEASE AND RELATED MENTAL  
3 ILLNESSES.

4 (a) STUDY.—

5 (1) IN GENERAL.—The Secretary of Health and  
6 Human Services (in this section referred to as the  
7 “Secretary”) shall conduct a study to determine  
8 whether the criteria for coverage of any therapy  
9 service (including occupational therapy services and  
10 physical therapy services) or any outpatient mental  
11 health care service under the medicare program  
12 under title XVIII of the Social Security Act (42  
13 U.S.C. 1395 et seq.) unduly restricts the access of  
14 any medicare beneficiary who has been diagnosed  
15 with Alzheimer’s disease or a related mental illness  
16 to such a service because the coverage criteria re-  
17 quires the medicare beneficiary to display continuing  
18 clinical improvement to continue to receive the serv-  
19 ice.

20 (2) DETERMINATION OF NEW COVERAGE CRI-  
21 TERIA.—If the Secretary determines that the cov-  
22 erage criteria described in paragraph (1) unduly re-  
23 stricts the access of any medicare beneficiary to the  
24 services described in such paragraph, the Secretary  
25 shall identify alternative coverage criteria that would  
26 permit a medicare beneficiary who has been diag-

1 nosed with Alzheimer's disease or a related mental  
2 illness to receive coverage for health care services  
3 under the medicare program that are designed to  
4 control symptoms, maintain functional capabilities,  
5 reduce or deter deterioration, and prevent or reduce  
6 hospitalization of the beneficiary.

7 (b) REPORT.—Not later than 1 year after the date  
8 of enactment of this Act, the Secretary shall submit to  
9 the committees of jurisdiction of Congress a report on the  
10 study conducted under subsection (a) together with such  
11 recommendations for legislative and administrative action  
12 as the Secretary determines appropriate.

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