TITLE —ENHANCING THE MENTAL HEALTH WORKFORCE

SEC. 01. SHORT TITLE; TABLE OF CONTENTS.

(a) IN GENERAL.—This title may be cited as the “Behavioral Health Workforce of the Future Act”.

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

TITLE —ENHANCING THE MENTAL HEALTH WORKFORCE

Sec. 01. Short title; table of contents.

Subtitle A—Medicare Provisions

Sec. 11. Coverage of marriage and family therapist services and mental health counselor services under part B of the Medicare program.

Sec. 12. Improved access to clinical social worker services under the Medicare program.

Sec. 13. Expanding eligibility for incentives under the Medicare health professional shortage area bonus program to practitioners furnishing mental health and substance use disorder services.


Sec. 15. Coverage and coding for qualified psychologist services furnished by advanced psychology trainees.

Sec. 16. Clarifying coverage of occupational therapy under the Medicare program.

Sec. 17. [Distribution of additional residency positions in psychiatry and psychiatry subspecialties].

Subtitle B—Medicaid and CHIP Provisions

Sec. 21. Demonstration project to increase mental health and substance use disorder care provider capacity under the Medicaid program.

Sec. 22. Guidance to States on strategies under Medicaid and CHIP to increase mental health and substance use disorder care provider education, training, recruitment, and retention.
Subtitle A—Medicare Provisions

SEC. 11. COVERAGE OF MARRIAGE AND FAMILY THERAPIST SERVICES AND MENTAL HEALTH COUNSELOR SERVICES UNDER PART B OF THE MEDICARE PROGRAM.

(a) Coverage of Services.—

(1) In general.—Section 1861(s)(2) of the Social Security Act (42 U.S.C. 1395x(s)(2)) is amended—

(A) in subparagraph (GG), by striking “and” after the semicolon at the end;

(B) in subparagraph (HH), by inserting “and” after the semicolon at the end; and

(C) by adding at the end the following new subparagraph:

“(II) marriage and family therapist services (as defined in subsection (lll)(1)) and mental health counselor services (as defined in subsection (lll)(3));”.

(2) Definitions.—Section 1861 of the Social Security Act (42 U.S.C. 1395x) is amended by adding at the end the following new subsection:

“(lll) MARRIAGE AND FAMILY THERAPIST SERVICES; MARRIAGE AND FAMILY THERAPIST; MENTAL HEALTH COUNSELOR SERVICES; MENTAL HEALTH COUNSELOR.”
“(1) Marriage and family therapist services.—The term ‘marriage and family therapist services’ means services performed by a marriage and family therapist (as defined in paragraph (2)) (including services for the diagnosis and treatment of mental illnesses and services for health and behavior assessment and intervention (identified as of January 1, 2021, by HCPCS codes 96150 through 96161 (and any succeeding codes)) but not including services furnished to an inpatient of a hospital), which the marriage and family therapist is legally authorized to perform under State law (or the State regulatory mechanism provided by State law) of the State in which such services are performed, as would otherwise be covered if furnished by a physician or as incident to a physician’s professional service.

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

“(A) possesses a master’s or doctoral degree which qualifies for licensure or certification as a marriage and family therapist pursuant to State law;
“(B) after obtaining such degree has performed at least 2 years of clinical supervised experience in marriage and family therapy; and

“(C) in the case of an individual performing services in a State that provides for licensure or certification of marriage and family therapists, is licensed or certified as a marriage and family therapist in such State.

“(3) Mental health counselor services.—The term ‘mental health counselor services’ means services performed by a mental health counselor (as defined in paragraph (4)) (including services for the diagnosis and treatment of mental illnesses and services for health and behavior assessment and intervention (identified as of January 1, 2021, by HCPCS codes 96150 through 96161 (and any succeeding codes)) but not including services furnished to an inpatient of a hospital), which the mental health counselor is legally authorized to perform under State law (or the State regulatory mechanism provided by the State law) of the State in which such services are performed, as would otherwise be covered if furnished by a physician or as incident to a physician’s professional service.
“(4) MENTAL HEALTH COUNSELOR.—The term ‘mental health counselor’ means an individual who—

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

“(B) after obtaining such a degree has performed at least 2 years of supervised mental health counselor practice; and

“(C) in the case of an individual performing services in a State that provides for licensure or certification of mental health counselors or professional counselors, is licensed or certified as a mental health counselor or professional counselor in such State.”.

(3) AMOUNT OF PAYMENT.—Section 1833(a)(1) of the Social Security Act (42 U.S.C. 1395l(a)(1)) is amended—

(A) by striking “and (EE)” and inserting “(EE)”;

(B) by inserting before the semicolon at the end the following: “, and (FF) with respect to marriage and family therapist services and mental health counselor services under section 1861(s)(2)(II), the amounts paid shall be 80 percent of the lesser of the actual charge for
the services or 75 percent of the amount determined for payment of a psychologist under subparagraph (L)”.

(4) Exclusion of Marriage and Family Therapist Services and Mental Health Counselor Services from the Skilled Nursing Facility Prospective Payment System.—Section 1888(e)(2)(A)(iii) of the Social Security Act (42 U.S.C. 1395yy(e)(2)(A)(iii)) is amended by adding at the end the following new subclause:

“(VII) Marriage and family therapist services (as defined in section 1861(lll)(1)) and mental health counselor services (as defined in section 1861(lll)(3)).”.

(5) Inclusion of Marriage and Family Therapists and Mental Health Counselors as Practitioners for Assignment of Claims.—Section 1842(b)(18)(C) of the Social Security Act (42 U.S.C. 1395u(b)(18)(C)) is amended by adding at the end the following new clauses:

“(vii) A marriage and family therapist (as defined in section 1861(lll)(2)).

“(viii) A mental health counselor (as defined in section 1861(lll)(4)).”.
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(b) Coverage of Certain Mental Health Services Provided in Certain Settings.—

(1) Rural health clinics and federally qualified health centers.—Section 1861(aa)(1)(B) of the Social Security Act (42 U.S.C. 1395x(aa)(1)(B)) is amended by striking “or by a clinical social worker (as defined in subsection (hh)(1))” and inserting “, by a clinical social worker (as defined in subsection (hh)(1)), by a marriage and family therapist (as defined in subsection (lll)(2)), or by a mental health counselor (as defined in subsection (lll)(4))”.

(2) Hospice programs.—Section 1861(dd)(2)(B)(i)(III) of the Social Security Act (42 U.S.C. 1395x(dd)(2)(B)(i)(III)) is amended by inserting “, marriage and family therapist, or mental health counselor” after “social worker”.

(c) Effective Date.—The amendments made by this section shall apply with respect to services furnished on or after January 1, 2024.
SEC. 12. IMPROVED ACCESS TO CLINICAL SOCIAL WORKER SERVICES UNDER THE MEDICARE PROGRAM.

(a) Access to Clinical Social Worker Services Provided to Residents of Skilled Nursing Facilities.—

(1) Exclusion of clinical social worker services from the skilled nursing facility prospective payment system.—Subclause (VII) of section 1888(e)(2)(A)(iii) of the Social Security Act (42 U.S.C. 1395yy(e)(2)(A)(iii)), as added by [section _11(a)(4)], is amended—

(A) by striking “Marriage” and inserting “Clinical social worker services (as defined in section 1861(hh)(2)), marriage”; and

(B) by inserting a comma after “1861(lll)(1))”.

(2) Conforming Amendment.—Section 1861(hh)(2) of the Social Security Act (42 U.S.C. 1395x(hh)(2)) is amended by striking “and other than services furnished to an inpatient of a skilled nursing facility which the facility is required to provide as a requirement for participation”.

(b) Access to the Complete Set of Clinical Social Worker Services.—Section 1861(hh)(2) of the
Social Security Act (42 U.S.C. 1395x(hh)(2)), as amended by subsection (a)(2), is amended—

(1) by striking “for the diagnosis and treatment of mental illnesses (other than services” and inserting “, including services for the diagnosis and treatment of mental illnesses or services for health and behavior assessment and intervention (identified as of January 1, 2021, by HCPCS codes 96150 through 96161 (and any succeeding codes)) but not including services”; and

(2) by striking “inpatient of a hospital)” and inserting “inpatient of a hospital,”.

(c) Effective Date.—The amendments made by this section shall apply to items and services furnished on or after January 1, 2024.

SEC. _13. EXPANDING ELIGIBILITY FOR INCENTIVES UNDER THE MEDICARE HEALTH PROFESSIONAL SHORTAGE AREA BONUS PROGRAM TO PRACTITIONERS FURNISHING MENTAL HEALTH AND SUBSTANCE USE DISORDER SERVICES.

Section 1833(m) of the Social Security Act (42 U.S.C. 1395l(m)) is amended—

(1) by striking paragraph (1) and inserting the following new paragraph:
“(1) In the case of—

“(A) physicians’ services (other than specified health services that are eligible for the additional payment under subparagraph (B)) furnished in a year to an individual, who is covered under the insurance program established by this part and who incurs expenses for such services, in an area that is designated (under section 332(a)(1)(A) of the Public Health Service Act) as a health professional shortage area as identified by the Secretary prior to the beginning of such year, in addition to the amount otherwise paid under this part, there also shall be paid to the physician (or to an employer or facility in the cases described in clause (A) of section 1842(b)(6)) (on a monthly or quarterly basis) from the Federal Supplementary Medical Insurance Trust Fund an amount equal to 10 percent of the payment amount for the service under this part; and

“(B) specified health services (as defined in paragraph (5)) furnished in a year to an individual, who is covered under the insurance program established by this part and who incurs expenses for such services, in an area that is designated (under such section 332(a)(1)(A)) as a mental health professional shortage area as identified by the Secretary
prior to the beginning of such year, in addition to the amount otherwise paid under this part, there also shall be paid to the physician or applicable practitioner (as defined in paragraph (6)) (or to an employer or facility in the cases described in clause (A) of section 1842(b)(6)) (on a monthly or quarterly basis) from such Trust Fund an amount equal to 15 percent of the payment amount for the service under this part.”;

(2) in paragraph (2)—

(A) by striking “in paragraph (1)” and inserting “in subparagraph (A) or (B) of paragraph (1)”;

(B) by inserting “or, in the case of specified health services, the physician or applicable practitioner” after “physician”;

(3) in paragraph (3), by striking “in paragraph (1)” and inserting “in subparagraph (A) or (B) of paragraph (1)”;

(4) in paragraph (4)—

(A) in subparagraph (B), by inserting “or applicable practitioner” after “physician”; and

(B) in subparagraph (C), by inserting “or applicable practitioner” after “physician”; and
(5) by adding at the end the following new paragraph:

“(5) In this subsection, the term ‘specified health services’ means services otherwise covered under this part that are furnished on or after January 1, 2024, by a physician or an applicable practitioner to an individual—

“(A) for purposes of diagnosis, evaluation, or treatment of a mental health disorder, as determined by the Secretary; or

“(B) with a substance use disorder diagnosis for purposes of treatment of such disorder or co-occurring mental health disorder, as determined by the Secretary.

“(6) In this subsection, the term ‘applicable practitioner’ means the following:

“(A) A physician assistant, nurse practitioner, or clinical nurse specialist (as defined in section 1861(aa)(5)).

“(B) A clinical social worker (as defined in section 1861(hh)(1)).

“(C) A clinical psychologist (as defined by the Secretary for purposes of section 1861(ii)).

“(D) A marriage and family therapist (as defined in section 1861(lll)(2)).
“(E) A mental health counselor (as defined in section 1861(lll)(4)).”.

SEC. 14. ACCESS TO MENTAL HEALTH PROGRAMS FOR PHYSICIANS.

Section 1877(e) of the Social Security Act (42 U.S.C. 1395nn(e)) is amended by adding at the end the following new paragraph:

“(9) Mental health program for physicians.—The provision by an entity of an evidence-based or evidence-informed program for physicians for the primary purpose of preventing suicide and improving mental health and resiliency and for training such physicians in appropriate strategies to promote their mental health, if such program—

“(A) is in a policy set out in writing and approved in advance of the operation of the program by the governing body of the entity;

“(B) is offered to all physicians on the bona fide medical staff of the entity or in the local community or service area of the entity;

“(C) is offered to all such physicians on the same terms and conditions regardless of the volume or value of referrals or other business generated by the physician for the entity; and
“(D) meets any other requirements as the Secretary may impose by regulation as needed to protect against program or patient abuse.”.

**SEC. 15. COVERAGE AND CODING FOR QUALIFIED PSYCHOLOGIST SERVICES FURNISHED BY ADVANCED PSYCHOLOGY TRAINEES.**

(a) **COVERAGE.—**

(1) **IN GENERAL.**—Section 1861(ii) of the Social Security Act (42 U.S.C. 1395x(ii)) is amended—

(A) by inserting “(1)” after “(ii)”; (B) in paragraph (1), as added by paragraph (1) of this subsection, by inserting “(or furnished by an advanced psychology trainee under the general supervision of a clinical psychologist (as so defined))” after “(as defined by the Secretary)”; and

(C) by adding at the end the following new paragraph:

“(2) In this subsection:

“(A) The term ‘advanced psychology trainee’ means a postdoctoral resident who has obtained a doctoral degree in psychology, is seeking a license to practice psychology, and is engaged in a 1- or 2-year period of additional supervised experiential training
to acquire the skills or hours required for licensure through a program accredited by an organization determined appropriate by the Secretary.

“(B) The term ‘general supervision’ has the meaning given that term in section 410.26(a)(3) of title 42, Code of Federal Regulations (or any successor regulation).”.

(2) **Effective Date.**—The amendments made by this subsection shall apply to services furnished on or after January 1, 2024.

(b) **Establishment of Modifier.**—Not later than January 1, 2024, the Secretary of Health and Human Services shall establish a modifier to indicate services furnished by an advanced psychology trainee pursuant to the amendments made by subsection (a).

SEC. 16. **Clarifying Coverage of Occupational Therapy Under the Medicare Program.**

Not later than 1 year after the date of enactment of this Act, the Secretary of Health and Human Services shall provide education and outreach to stakeholders about the Medicare Benefit Policy Manual with respect to occupational therapy services furnished to individuals under the Medicare program for the treatment of a substance use or mental health disorder diagnosis using applicable
Healthcare Common Procedure Coding System (HCPCS) codes.

SEC. 17. [DISTRIBUTION OF ADDITIONAL RESIDENCY POSITIONS IN PSYCHIATRY AND PSYCHIATRY SUBSPECIALTIES].

(a) In General.—Section 1886(h) of the Social Security Act (42 U.S.C. 1395ww(h)) is amended—

(1) in paragraph (4)(F)(i), by striking “and (9)” and inserting “(9), and (10)”;

(2) in paragraph (4)(H)(i), by striking “and (9)” and inserting “(9), and (10)”;

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

“(10) DISTRIBUTION OF ADDITIONAL RESIDENCY POSITIONS IN PSYCHIATRY AND PSYCHIATRY SUBSPECIALTIES.—

“(A) ADDITIONAL RESIDENCY POSITIONS.—

“(i) IN GENERAL.—For fiscal year [2025], and for each succeeding fiscal year until the aggregate number of full-time equivalent residency positions distributed under this paragraph is equal to the aggregate number of such positions made available (as specified in clause (ii)(I)), the
Secretary shall, subject to the succeeding provisions of this paragraph, increase the otherwise applicable resident limit for each qualifying hospital (as defined in subparagraph (F)) that submits a timely application under this subparagraph by such number as the Secretary may approve effective beginning July 1 of the fiscal year of the increase.

“(ii) Number available for distribution.—

“(I) Total number available.—The aggregate number of such positions made available under this paragraph shall be equal to $400$.

“(II) Annual limit.—The aggregate number of such positions so made available shall not exceed $200$ for a fiscal year.

“(iii) Distribution for psychiatry or psychiatry subspecialty residencies.—Each of the positions made available under this paragraph shall be in a psychiatry or psychiatry sub-
specialty residency (as defined in subparagraph (F)).

“(iv) Process for distributing positions.—

“(I) Rounds of applications.—The Secretary shall initiate a separate round of applications for an increase under clause (i) for each fiscal year for which such an increase is to be provided.

“(II) Timing.—The Secretary shall notify hospitals of the number of positions distributed to the hospital under this paragraph as a result of an increase in the otherwise applicable resident limit by January 31 of the fiscal year of the increase. Such increase shall be effective beginning July 1 of such fiscal year.

“(B) Distribution.—For purposes of providing an increase in the otherwise applicable resident limit under subparagraph (A), the following shall apply:

“(i) Considerations in distribution.—In determining for which qualifying
hospitals such an increase is provided under subparagraph (A), the Secretary shall take into account the demonstrated likelihood of the hospital filling the positions made available under this paragraph within the first 5 training years beginning after the date the increase would be effective, as determined by the Secretary.

“(ii) DISTRIBUTION FOR CERTAIN CATEGORIES OF HOSPITALS.—With respect to the aggregate number of such positions available for distribution under this paragraph, the Secretary shall distribute such aggregate number to each of the following categories of hospitals as follows: [Note: the Committee seeks input from stakeholders on the considerations for the appropriate allocation of slots within these prioritization criteria.]

“(I) [xx percent] of such aggregate number to hospitals that are located in a rural area (as defined in section 1886(d)(2)(D)) or are treated
as being located in a rural area pursuant to section 1886(d)(8)(E).

“(II) [xx percent] of such aggregate number to hospitals in which the reference resident level of the hospital (as specified in subparagraph (F)(iv)) is greater than the otherwise applicable resident limit.

“(III) [xx percent] of such aggregate number to hospitals in States with—

“(aa) new medical schools that received ‘Candidate School’ status from the Liaison Committee on Medical Education or that received ‘Pre-Accreditation’ status from the American Osteopathic Association Commission on Osteopathic College Accreditation on or after January 1, 2000, and that have achieved or continue to progress toward ‘Full Accreditation’ status (as such term is defined by the Liaison Committee on Medical Edu-
cation) or toward ‘Accreditation’ status (as such term is defined by the American Osteopathic Association Commission on Osteopathic College Accreditation); or

“(bb) additional locations and branch campuses established on or after January 1, 2000, by medical schools with ‘Full Accreditation’ status (as such term is defined by the Liaison Committee on Medical Education) or ‘Accreditation’ status (as such term is defined by the American Osteopathic Association Commission on Osteopathic College Accreditation).

“(IV) [xx percent] of such aggregate number to hospitals that serve areas designated as health professional shortage areas under section 332(a)(1)(A) of the Public Health Service Act, as determined by the Secretary.
“(V) [xx percent] of such aggregate number to hospitals located in States with less than 27 residents per 100,000 people.

“(C) REQUIREMENTS.—

“(i) IN GENERAL.—Subject to clause (ii), a hospital that receives an increase in the otherwise applicable resident limit under this paragraph shall ensure, during the 5-year period beginning on the date of such increase, that—

“(I) the number of full-time equivalent residents in a psychiatry or psychiatry subspecialty residency (as defined in subparagraph (F)), excluding any additional positions attributable to an increase under this paragraph, is not less than the average number of full-time equivalent residents in such a residency during the 3 most recent cost reporting periods ending prior to the date of enactment of this paragraph; and

“(II) all of the positions attributable to such increase are in a psy-
chiatry or psychiatry subspecialty residency (as determined by the Secretary).

The Secretary may determine whether a hospital has met the requirements under this clause during such 5-year period in such manner and at such time as the Secretary determines appropriate, including at the end of such 5-year period.

“(ii) Redistribution of positions if hospital no longer meets certain requirements.—In the case where the Secretary determines that a hospital described in clause (i) does not meet either of the requirements under subclause (I) or (II) of such clause, the Secretary shall—

“(I) reduce the otherwise applicable resident limit of the hospital by the amount by which such limit was increased under this paragraph; and

“(II) provide for the distribution of positions attributable to such reduction in accordance with the requirements of this paragraph.
“(iii) LIMITATION.—A hospital may not receive more than [10] additional full-time equivalent residency positions under this paragraph.

“(iv) PROHIBITION ON DISTRIBUTION TO HOSPITALS WITHOUT AN INCREASE AGREEMENT.—No increase in the otherwise applicable resident limit of a hospital may be made under this paragraph unless such hospital agrees to increase the total number of full-time equivalent residency positions under the approved medical residency training program of such hospital by the number of such positions made available by such increase under this paragraph.

“(D) APPLICATION OF PER RESIDENT AMOUNTS FOR NONPRIMARY CARE.—With respect to additional residency positions in a hospital attributable to the increase provided under this paragraph, the approved FTE per resident amounts are deemed to be equal to the hospital per resident amounts for nonprimary care computed under paragraph (2)(D) for that hospital.
“(E) PERMITTING FACILITIES TO APPLY AGGREGATION RULES.—The Secretary shall permit hospitals receiving additional residency positions attributable to the increase provided under this paragraph to, beginning in the fifth year after the effective date of such increase, apply such positions to the limitation amount under paragraph (4)(F) that may be aggregated pursuant to paragraph (4)(H) among members of the same affiliated group.

“(F) DEFINITIONS.—In this paragraph:

“(i) OTHERWISE APPLICABLE RESIDENT LIMIT.—The term ‘otherwise applicable resident limit’ means, with respect to a hospital, the limit otherwise applicable under subparagraphs (F)(i) and (H) of paragraph (4) on the resident level for the hospital determined without regard to this paragraph but taking into account paragraphs (7)(A), (7)(B), (8)(A), (8)(B), and (9)(A).

“(ii) PSYCHIATRY OR PSYCHIATRY SUBSPECIALTY RESIDENCY.—The term ‘psychiatry or psychiatry subspecialty residency’ means a residency in psychiatry [as
accredited by the Accreditation Council for Graduate Medical Education for the purpose of preventing, diagnosing, and treating mental health disorders].

“(iii) Qualifying Hospital.—The term ‘qualifying hospital’ means a hospital described in any of subclauses (I) through (V) of subparagraph (B)(ii).

“(iv) Reference Resident Level.—The term ‘reference resident level’ means, with respect to a hospital, the resident level for the most recent cost reporting period of the hospital ending on or before the date of enactment of this paragraph, for which a cost report has been settled (or, if not, submitted (subject to audit)), as determined by the Secretary.

“(v) Resident Level.—The term ‘resident level’ has the meaning given such term in paragraph (7)(C)(i).”.

(b) IME.—Section 1886(d)(5)(B) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(B)) is amended—

(1) in clause (v), in the third sentence, by striking “and (h)(9)” and inserting “(h)(9), and (h)(10)”;
(2) by moving clause (xii) 4 ems to the left; and

(3) by adding at the end the following new clause:

“(xiii) For discharges occurring on or after [July 1, 2024], insofar as an additional payment amount under this subparagraph is attributable to resident positions distributed to a hospital under subsection (h)(10), the indirect teaching adjustment factor shall be computed in the same manner as provided under clause (ii) with respect to such resident positions.”.

(c) Prohibition on Judicial Review.—Section 1886(h)(7)(E) of the Social Security Act (42 U.S.C. 1395ww—4(h)(7)(E)) is amended by inserting “paragraph (10),” after “paragraph (8),”.

Subtitle B—Medicaid and CHIP Provisions

SEC. 21. DEMONSTRATION PROJECT TO INCREASE MENTAL HEALTH AND SUBSTANCE USE DISORDER CARE PROVIDER CAPACITY UNDER THE MEDICAID PROGRAM.

Section 1903 of the Social Security Act (42 U.S.C. 1396b) is amended by adding at the end the following new subsection:
“(cc) Demonstration Project to Increase Mental Health and Substance Use Disorder Care Provider Capacity.—

“(1) Authority to conduct demonstration project.—

“(A) In general.—Not later than 12 months after the date of the enactment of this subsection, the Secretary shall conduct a 54-month demonstration project (referred to in this subsection as the ‘demonstration project’) under which States shall participate in the demonstration project in accordance with the purposes described in paragraph (2).

“(B) Administrative requirements.—

The Secretary shall—

“(i) for the first 18-month period of such project, award planning grants under paragraph (3); and

“(ii) for the remaining 36-month period of such project, provide to each State that received a planning grant under paragraph (3) and submits and receives approval of an application under paragraph (4), payments in accordance with paragraph (5).
“(2) PURPOSES.—For each State that participates in the demonstration project, the purposes described in this paragraph are the following:

“(A) To increase the number of providers participating under the State plan under this title (or under a waiver of such plan) that provide mental health and substance use disorder services under such plan (or waiver) and otherwise improve the network of providers that treat mental health and substance use disorders under the State plan (or waiver).

“(B) To do at least 2 of the following:

“(i) To carry out activities that, taking into account the results of the assessment described in paragraph (3)(B)(i) and the consultation described in subparagraph (C), support the recruitment, training, and provision of technical assistance for providers participating under the State plan (or a waiver of such plan) that offer mental health and substance use disorder services.

“(ii) To improve reimbursement for, and expansion of the number or treatment capacity of, providers participating under
the State plan (or waiver) that are qualified under applicable State law to provide mental health and substance use disorder services through the provision of education, training, and technical assistance.

“(iii) To improve reimbursement for, and expansion of the number or treatment capacity of, providers participating under the State plan (or waiver) that have the qualifications to address the treatment or recovery needs of children and young adults enrolled under the State plan (or a waiver of such plan) in need of mental health or substance use disorder services.

“(C) To establish a process for regular assessment (during and after the State’s participation in the demonstration project ends) of the mental health and substance use disorder treatment needs of the State, including regular updates of the information described in subclauses (I) through (VI) of paragraph (3)(B)(i).

“(3) PLANNING GRANTS.—

“(A) IN GENERAL.—During the first 18-month period of the demonstration project, the Secretary shall award planning grants to all
31 States that submit timely, complete applications for such grants which meet such requirements as the Secretary shall establish. A State awarded a planning grant under this paragraph shall use the grant funds to carry out the activities described in subparagraph (B) and, based on the information collected from such activities, prepare an application to participate in the remaining 36-month period of the demonstration project that meets the requirements of paragraph (4).

“(B) Activities described.—Activities described in this subparagraph are, with respect to a State, each of the following:

“(i) Activities that support the development of an initial assessment of the mental health and substance use disorder treatment needs of the State to determine the extent to which providers are needed (including the types of such providers and geographic area of need) to improve the network of providers that treat mental health and substance use disorders under the State plan (or waiver), including the following:
“(I) Estimates, for the most recent 12-month period for which data is available, of the number of individuals enrolled under the State plan (or a waiver of such plan) who have a mental health or substance use disorder.

“(II) Estimates, for the most recent 12-month period for which data is available, of the number of individuals who received mental health or substance use disorder related services.

“(III) Information on the capacity of providers to provide mental health and substance use disorder services to individuals enrolled under the State plan (or waiver), including information on providers who provide such services and their participation under the State plan (or waiver).

“(IV) Information on the gap in mental health and substance use disorder services under the State plan (or waiver) based on the information
described in subclauses (I), (II), and (III).

“(V) Projections regarding the extent to which the State’s participation in the demonstration project would increase the number of providers offering mental health and substance use disorder services under the State plan (or waiver) during the period of the demonstration project.

“(VI) An examination of the disparities in the State in terms of access to mental health and substance use disorder services and identification of any particularly underserved communities where greater attention and resources are needed.

“(ii) Based on the results of the initial assessment described in clause (i), activities supporting the development of State infrastructure to recruit prospective providers of mental health and substance use disorder services to participate in the State plan (or waiver) and to provide
training and technical assistance to such providers.

“(C) CONSULTATION.—In carrying out the activities described in subparagraph (B) and preparing an application to participate in the remaining 36-month period of the demonstration project that meets the requirements of paragraph (4), a State shall consult with relevant stakeholders, including Medicaid managed care plans, health care providers, and Medicaid beneficiary advocates.

“(4) POST-PLANNING STATE APPLICATIONS.—

“(A) IN GENERAL.—A State that received a planning grant under paragraph (3) and seeks to participate in the remaining 36-month period of the demonstration project, shall submit to the Secretary not later than the end of the first 18-month period of the demonstration project, in such form and manner as the Secretary requires, an application that includes, at a minimum, the information described in subparagraph (B).

“(B) INFORMATION DESCRIBED.—The information described in this subparagraph is the following:
“(i) A proposed process for carrying out the regular assessment described in paragraph (2)(C).

“(ii) A review of reimbursement methodologies and other policies related to mental health and substance use disorder services under the State plan (or waiver) that may create barriers to increasing the number of providers delivering such services.

“(iii) The development of a plan, taking into account activities carried out under paragraph (3)(B)(ii), that will result in long-term and sustainable provider networks under the State plan (or waiver) that will offer a continuum of care for mental health and substance use disorders which includes, at a minimum, mental health and substance use disorder preventive services, screenings and assessments, crisis services, care provided in outpatient, residential, and inpatient settings, and home and community-based services. Such plan also shall include the following:

“(I) Specific activities to increase the number of providers (including
providers that specialize in providing mental health and substance use disorder services, hospitals, health care systems, Federally qualified health centers, and, as applicable, certified community behavioral health clinics) that offer mental health and substance use disorder services.

“(II) Strategies that will incentivize providers described in clauses (ii) and (iii) of paragraph (2)(B) to obtain the necessary training, education, and support to deliver mental health and substance use disorder services under the State plan (or waiver).

“(III) Milestones and timelines for implementing activities set forth in the plan.

“(IV) Specific measurable targets for increasing the mental health and substance use disorder provider network under the State plan (or a waiver of such plan).
“(iv) A proposed process for publicly reporting the information required under paragraph (6)(A), including information to assess the effectiveness of the efforts of the State to expand the capacity of providers to deliver mental health and substance use disorder services during the period of the demonstration project.

“(v) The expected financial impact of the demonstration project on the State.

“(vi) A description of all funding sources available to the State to provide mental health and substance use disorder services in the State.

“(vii) A preliminary plan for how the State will sustain any increase in the capacity of providers to deliver mental health and substance use disorder services resulting from the demonstration project after the termination of the project.

“(viii) If applicable, a description of how the State will coordinate the goals of the demonstration project with any waiver of the State plan in effect or pending approval, as of the date of the submission of
the application, relating to the delivery of
mental health and substance use disorder
services under the State plan (or waiver).

“(ix) A description of consultation re-
quired under paragraph (3)(C).

[(“(5) Payment.—]]

“(6) Reports.—

“(A) State reports.—

“(i) In general.—A State receiving
payments under paragraph (5), for the pe-
period of the demonstration project, shall
submit to the Secretary an annual report
with respect to expenditures for mental
health and substance use disorder services
for which payments are made to the State
under the project, on the following:

“(I) The specific activities for
which such payments were provided.

“(II) The number of providers
that delivered mental health and sub-
stance use disorder services in the
State under the demonstration project
compared to the estimated number of
providers that would have otherwise
delivered such services in the absence of the project.

“(III) The number of individuals enrolled under the State plan (or a waiver of such plan) who received mental health and substance use disorder services under the demonstration project compared to the estimated number of such individuals who would have otherwise received such services in the absence of the project.

“(IV) Other relevant matters, as determined by the Secretary.

“(ii) Publicly available.—Each annual report submitted by a State under clause (i) shall be made publicly available on an easily searchable website of the State.

“(B) CMS report.—Not later than 18 months after the date on which the demonstration project ends, the Administrator of the Centers for Medicare & Medicaid Services shall, in consultation with other agencies in the Department of Health and Human Services with expertise in mental health, substance abuse use
disorder, and data collection, submit to Congress a report on the following:

“(i) Activities carried out under the demonstration project.

“(ii) The extent to which States with an approved application under paragraph (4) have achieved the stated goals submitted in their applications under subparagraph (B) of such paragraph.

“(iii) A description of the strengths and limitations of such demonstration project.

“(iv) A plan for sustainability of provider capacity improvements under such demonstration project.

“(v) An assessment of the extent to which the demonstration project achieved the purposes set out in paragraph (2).

“(7) DATA SHARING AND BEST PRACTICES.— During the period the demonstration project is conducted, the Secretary shall, in collaboration with States with approved applications under paragraph (4), facilitate data sharing and the development of best practices between such States.

“(8) FUNDING.—”
SEC. 22. GUIDANCE TO STATES ON STRATEGIES UNDER MEDICAID AND CHIP TO INCREASE MENTAL HEALTH AND SUBSTANCE USE DISORDER CARE PROVIDER EDUCATION, TRAINING, RECRUITMENT, AND RETENTION.

Not later than 12 months after the date of enactment of this Act, the Secretary of Health and Human Services shall issue guidance to States on strategies under Medicaid and CHIP to increase education, training, recruitment, and retention of mental health and substance use disorder care providers that participate in Medicaid or CHIP, with a focus on improving the capacity of the mental health and substance use disorder care workforce in rural and underserved areas. Such guidance shall include, and not be limited to, strategies on how States may utilize waivers under section 1115 of the Social Security Act (42 U.S.C. 1315) and authorities under titles XIX and XXI of such Act (42 U.S.C. 1396 et seq., 1397aa et seq.) for such purposes.