

Mental Health Counselors and Marriage & Family Therapists:

New Billable Behavioral Health Providers in Medicare and Medicaid

The Biden Administration has made it a clear priority to bolster the behavioral health workforce, given the shortage of mental health providers nationwide. As of March 2023, HRSA calculated that 160 million Americans live in areas with mental health professional shortages. To ensure adequate supply, over 8,000 more professionals would be needed.¹

Due to legislative and regulatory changes, starting January 1, 2024, health centers can receive Medicare and Medicaid reimbursement for Marriage & Family Therapists (MFTs) and Mental Health Counselors (MHCs) as providers. The Consolidated Appropriations Act of 2023 (CAA 2023), enacted December 27, 2022, required the Department of Health & Human Services (HHS) to add MFTs and MHCs as clinician types who may enroll to provide services under Medicare Part B and be reimbursed under the Prospective Payment System. The statutory changes in CAA 2023 also expand the definition of “FQHC services” in Medicaid to add the services of MFTs and MHCs. These changes were also made in the final CY2024 Medicare Physician Fee Schedule.

Effective January 1, 2024, health centers can utilize these essential behavioral health providers to the top of their licenses in both Medicare and Medicaid. Below is a summary of the statutory and regulatory changes for MFTs and MHCs.

- MHCs and MFTs are now considered eligible clinicians to provide or supervise the provision of FQHC “preventive primary services.”
- MHCs’ and MFTs’ services have been added to the scope of services furnished to an individual as an outpatient of an FQHC.
- Encounters with MFTs/MHCs will count as “billable” visits.
- Any costs related to compensation and benefits for MFTs/MHCs, as well as costs of services and supplies incident to MFTs/MHCs services, will be allowable “FQHC services” on the cost report.
- MFTs and MHCs are now eligible distant site practitioners to furnish telehealth services in both Medicare and Medicaid.
- MFTs and MHCs are included on the list of practitioners who may order diagnostic tests, as long as it is legal under State law.
- Any Addiction Counselors who meet all the applicable requirements to enroll as MHCs – this will vary based on your State’s definition of Addiction Counselors.

Definition of Mental Health Counselors²

- Possesses a master's or doctor's degree which qualifies for licensure or certification as a marriage and family therapist pursuant to State law of the State in which such individual furnishes the services defined as marriage and family therapist services;

¹ <https://data.hrsa.gov/topics/health-workforce/shortage-areas>

² Social Security Act § 1861(III)(3) (as amended by CAA 2023) and 42 C.F.R. § 410.54

- **After obtaining such degree, has performed at least 2 years or 3,000 hours of post master’s degree clinical supervised experience in marriage and family therapy in an appropriate setting such as a hospital, SNF, private practice, or clinic;** and
- Is licensed or certified as a marriage and family therapist by the State in which the services are performed.

Definition of Marriage and Family Therapists³

- Possesses a master's or doctor's degree which qualifies for licensure or certification as a mental health counselor, clinical professional counselor, or professional counselor under the State law of the State in which such individual furnishes the services defined as mental health counselor services;
- **After obtaining such a degree, has performed at least 2 years or 3,000 hours of post master’s degree clinical supervised experience in mental health counseling in an appropriate setting such as a hospital, SNF, private practice, or clinic;** and
- Is licensed or certified as a **mental health counselor, clinical professional counselor, or professional counselor** by the State in which the services are performed.

Medicaid Coverage of MHCs/MFTs

CAA 2023 also expands the definition of covered “FQHC services” in the *Medicaid* program to include services provided by MFTs and MHCs, effective January 1, 2024.⁴

- Effective January 1, 2024, States will be required to cover MHC/MFT services as part of “FQHC services” even if these services aren’t independently covered under the Medicaid State plan.
- Many states already cover LPC and LMFT Services for FQHCs as optional services under the State plan, and accordingly, the services have been incorporated into the Medicaid FQHC benefit because of the statutory requirement that the benefit include “any other ambulatory services offered by a Federally-qualified health center and which are otherwise included in the [State] plan.”

In light of the change in the law, State Medicaid agencies should be encouraged:

- To acknowledge that the costs associated with services furnished by MHCs and MFTs will be, effective January 1, 2024, allowable costs that FQHCs incur in furnishing “core” FQHC services; and
- To revise the definition of an FQHC billable “visit” to include encounters with MHCs/MFTs.

Please reach out to the Regulatory Affairs team at regulatoryaffairs@nachc.org with additional questions or challenges faced.

³ Social Security Act § 1861(III)(3) (as amended by CAA 2023) and 42 C.F.R. § 410.53

⁴ Section [1861\(aa\)\(1\), \(3\)](#) of the SSA