AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO COMMITTEE PRINT 117–1
OFFERED BY M .

In lieu of the matter proposed by the Committee
Print, insert the following:

SECTION 1. IMPROVEMENTS TO MEDICARE PROSPECTIVE
PAYMENT SYSTEM FOR PSYCHIATRIC HOS-
PITALS AND PSYCHIATRIC UNITS.

(a) IMPROVEMENTS THROUGH ADDITIONAL CLAIMS
DATA.—Section 1886(s) of the Social Security Act (42
U.S.C. 1395ww(s)) is amended by adding at the end the
following new paragraph:

“(5) ADDITIONAL DATA AND INFORMATION.—

“(A) IN GENERAL.—The Secretary shall
collect data and information as the Secretary
determines appropriate to revise payments
under the system described in paragraph (1) for
psychiatric hospitals and psychiatric units pur-
suant to subparagraph (D) and for other pur-
poses as determined appropriate by the Sec-
retary. The Secretary shall begin to collect such
data by not later than October 1, 2023.
“(B) DATA AND INFORMATION.—The data and information to be collected under subparagraph (A) may include—

“(i) charges, including those related to ancillary services;

“(ii) the required intensity of behavioral monitoring, such as cognitive deficit, suicide ideations, violent behavior, and need for physical restraint; and

“(iii) interventions, such as detoxification services for substance abuse, dependence on respirator, total parenteral nutritional support, dependence on renal dialysis, and burn care.

“(C) METHOD OF COLLECTION.—The Secretary may collect the additional data and information under subparagraph (A) on cost reports or claims.

“(D) REVISIONS TO PAYMENT RATES.—

“(i) IN GENERAL.—Notwithstanding the preceding paragraphs of this subsection or section 124 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999, for rate year 2025 (and for any subsequent rate year, if
determined appropriate by the Secretary),
the Secretary shall, by regulation, imple-
ment revisions to the methodology for de-
determining the payment rates under the
system described in paragraph (1) for psy-
chiatric hospitals and psychiatric units, as
the Secretary determines to be appropriate.
Such revisions may be based on a review of
data and information collected under sub-
paragraph (A).

“(ii) REVIEW.—The Secretary may
make revisions to the diagnosis-related
group classifications, in accordance with
subsection (d)(4)(C), to reflect nursing and
staff resource use and costs involved in
furnishing services at such hospitals and
units, including considerations for patient
complexity and prior admission to an inpa-
tient psychiatric facility, which may be
based on review of data and information
collected under subparagraph (A), as the
Secretary determines to be appropriate.

“(iii) BUDGET NEUTRALITY.—Revi-
sions in payment implemented pursuant to
clause (i) for a rate year shall result in the
same estimated amount of aggregate ex-
penditures under this title for psychiatric
hospitals and psychiatric units furnished in
the rate year as would have been made
under this title for such care in such rate
year if such revisions had not been imple-
mented.”.

(b) Improvements Through Standardized Pa-
tient Assessment Data.—Section 1886(s) of the Social
Security Act (42 U.S.C. 1395ww(s)), as amended by sub-
section (a), is further amended—

(1) in paragraph (4)—

(A) in subparagraph (A)(i), by striking
“subparagraph (C)” and inserting “subpara-
graphs (C) and (E)”;

(B) by redesignating subparagraph (E) as
subparagraph (F);

(C) by inserting after subparagraph (D)
the following new subparagraph:

“(E) Standardized patient assess-
ment data.—

“(i) In general.—For rate year
2028 and each subsequent rate year, in ad-
dition to such data on the quality measures
described in subparagraph (C), each psy-
chiatric hospital and psychiatric unit shall submit to the Secretary, through the use of a standardized assessment instrument implemented under clause (iii), the standardized patient assessment data described in clause (ii). Such data shall be submitted with respect to admission and discharge of an individual (and may be submitted more frequently as the Secretary determines appropriate).

“(ii) Standardized patient assessment data described.—For purposes of clause (i), the standardized patient assessment data described in this clause, with respect to a psychiatric hospital or psychiatric unit, is data with respect to the following categories:

“(I) Functional status, such as mobility and self-care at admission to a psychiatric hospital or unit and before discharge from a psychiatric hospital or unit.

“(II) Cognitive function, such as ability to express ideas and to under-
stand, and mental status, such as depression and dementia.

“(III) Special services, treatments, and interventions for psychiatric conditions.

“(IV) Medical conditions and comorbidities, such as diabetes, congestive heart failure, and pressure ulcers.

“(V) Impairments, such as incontinence and an impaired ability to hear, see, or swallow.

“(VI) Other categories as determined appropriate by the Secretary.

“(iii) STANDARDIZED ASSESSMENT INSTRUMENT.—

“(I) IN GENERAL.—For purposes of clause (i), the Secretary shall implement a standardized assessment instrument that provides for the submission of standardized patient assessment data under this title with respect to psychiatric hospitals and psychiatric units which enables comparison of such assessment data across all
such hospitals and units to which such data are applicable.

“(II) FUNDING.—The Secretary shall provide for the transfer, from the Federal Hospital Insurance Trust Fund under section 1817 to the Centers for Medicare & Medicaid Services Program Management Account, of $10,000,000 for purposes of carrying out subclause (I).”; and

(D) in subparagraph (F), as redesignated by subparagraph (B) of this paragraph, by striking “subparagraph (C)” and inserting “subparagraphs (C) and (F)”; and

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

“(6) ADDITIONAL CONSIDERATIONS FOR DIAGNOSIS-RELATED GROUP CLASSIFICATIONS.—

“(A) IN GENERAL.—Notwithstanding the preceding paragraphs of this subsection (other than paragraph (5)) or section 124 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999, beginning not later than rate year 2031, in addition to any revisions pursuant to paragraph (5), the Secretary
shall, by regulation, implement revisions to the methodology for determining the payment rates under the system described in paragraph (1) for psychiatric hospitals and psychiatric units, as the Secretary determines to be appropriate, to take into account the patient assessment data described in paragraph (4)(E)(ii).

“(B) BUDGET NEUTRALITY.—Revisions in payment implemented pursuant to subparagraph (A) for a rate year shall result in the same estimated amount of aggregate expenditures under this title for psychiatric hospitals and psychiatric units furnished in the rate year as would have been made under this title for such care in such rate year if such revisions had not been implemented.”.

SEC. 2. ENSURING ADEQUATE COVERAGE OF OUTPATIENT MENTAL HEALTH SERVICES UNDER THE MEDICARE PROGRAM.

(a) MODIFICATION OF DEFINITION OF PARTIAL HOSPITALIZATION SERVICES.—Section 1861(ff)(1) of the Social Security Act (42 U.S.C. 1395x(ff)(1)) is amended by inserting “for an individual determined (not less frequently than monthly) by a physician to have a need for
such services for a minimum of 20 hours per week” after
“prescribed by a physician”.

(b) **Coverage of Intensive Outpatient Services.**—

(1) **Scope of benefits.**—

(A) Community mental health centers.—Section 1832(a)(2)(J) of the Social Security Act (42 U.S.C. 1395k(a)(2)(J)) is amended by inserting “and intensive outpatient services” after “partial hospitalization services”.

(B) Incident-to services.—Section 1861(s)(2)(B) is amended by inserting “or intensive outpatient services” after “partial hospitalization services”.

(2) **Definition.**—Section 1861(ff) of the Social Security Act (42 U.S.C. 1395x(ff)) is amended—

(A) in the header, by inserting “; Intensive Outpatient Services” after “Partial Hospitalization Services”; and

(B) by adding at the end the following new paragraph:
“(4) The term ‘intensive outpatient services’ has the meaning given the term ‘partial hospitalization services’ in paragraph (1), except that—

“(A) section 1835(a)(2)(F)(i) shall not apply;

“(B) the reference in such paragraph to an individual ‘determined (not less frequently than monthly) by a physician to have a need for such services for a minimum of 20 hours per week’ shall be treated as a reference to an individual ‘determined (not less frequently than once every other month) by a physician to have a need for such services for a minimum of 9 hours per week’; and

“(C) the reference to ‘a community mental health center (as defined in subparagraph (B))’ in paragraph (3) shall be treated as a reference to ‘a community mental health center (as defined in subparagraph (B)), a Federally qualified health center, or a rural health clinic’.”.

(3) EXCLUSION FROM CALCULATION OF CERTAIN TREATMENT COSTS.—Section 1833(e)(2) of the Social Security Act (42 U.S.C. 1395l(e)(2)) is amended by inserting “or intensive outpatient services” after “partial hospitalization services”.

(4) CONFORMING AMENDMENTS.—
(A) INTENSIVE OUTPATIENT SERVICES.—

Section 1861(aa) of the Social Security Act (42 U.S.C. 1395x(aa)) is amended—

(i) in paragraph (1)—

(I) in subparagraph (B), by striking “and” at the end;

(II) in subparagraph (C), by adding “and” at the end; and

(III) by inserting after subparagraph (C) the following new subparagraph:

“(D) intensive outpatient services (as defined in section 1861(ff)(4)),”;

and

(ii) in paragraph (3), by striking “through (C)” and inserting “through (D)”.

(B) PROVIDER OF SERVICES.—Section 1866(e)(2) of the Social Security Act (42 U.S.C. 1395cc(e)(2)) is amended by inserting “, or intensive outpatient services (as described in section 1861(ff)(4))” after “partial hospitalization services (as described in section 1861(ff)(1))”.

(c) **Special Payment Rule for FQHCs and RHCS.**—Section 1834 of the Social Security Act (42 U.S.C. 1395m) is amended—

(1) in subsection (o), by adding at the end the following new paragraph:

“(5) **Special payment rule for intensive outpatient services.**—

“(A) **In general.**—In the case of intensive outpatient services furnished by a Federally qualified health center, the payment amount for such services shall be equal to the amount that would have been paid under this title for such services had such services been covered OPD services furnished by a hospital.

“(B) **Exclusion.**—Costs associated with intensive outpatient services shall not be used to determine the amount of payment for Federally qualified health center services under the prospective payment system under this subsection.”; and

(2) in subsection (y)—

(A) in the header, by striking “TO HOSPICE PATIENTS”; and

(B) by adding at the end the following new paragraph:
“(3) SPECIAL PAYMENT RULE FOR INTENSIVE
OUTPATIENT SERVICES.—

“(A) IN GENERAL.—In the case of intensive outpatient services furnished by a rural health clinic, the payment amount for such services shall be equal to the amount that would have been paid under this title for such services had such services been covered OPD services furnished by a hospital.

“(B) EXCLUSION.—Costs associated with intensive outpatient services shall not be used to determine the amount of payment for for rural health clinic services under the methodology for all-inclusive rates (established by the Secretary) under section 1833(a)(3).”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to items and services furnished on or after January 1, 2024.