

Occupational Therapy in Medicare Mental Health

Support the *Occupational Therapy Mental Health Parity Act* (H.R. 4037)

Representatives Tim Kennedy (D-NY)—the only occupational therapist currently serving in Congress—and Zach Nunn (R-IA) have reintroduced H.R. 4037, the bipartisan *Occupational Therapy Mental Health Parity Act*, in the House of Representatives. This legislation aims to expand access to occupational therapy (OT) services for individuals with mental health and substance use disorders under Medicare.

Background

The profession of occupational therapy began in mental health settings at the beginning of the 20th century. The key outcome of OT services has always been to help individuals maintain or regain their functional capabilities—skills needed to function independently every day—regardless of whether their diagnosis is related to physical health, mental health, or cognitive challenges.

OT is a rehabilitation service under Medicare, and provided in Skilled Nursing Facilities (SNFs), Hospital Outpatient Departments (HOPDs) and multiple other settings. The Part B statute allows OT services to be provided to someone with a psychiatric diagnosis,¹ including in Medicare Partial Hospitalization Programs (PHP) and Intensive Outpatient Programs (IOPs). However, confusion persists due to OT practitioners not using 'mental health services' CPT® billing codes. Instead, they use their standard OT CPT® billing codes, as they are still addressing challenges in cognition and daily living with someone with a mental health disorder.

What the Bill Does

Medicare already allows coverage of OT services for individuals with psychiatric conditions. Despite this, many beneficiaries face unnecessary barriers to accessing care. OT practitioners are underutilized in behavioral health settings due to limited awareness of their role in addressing mental health needs.

H.R. 4037 directs the Secretary of Health and Human Services to conduct outreach and education to stakeholders about the existing Medicare benefit for OT services for individuals with mental health diagnoses. **This bill does not create a new benefit but clarifies existing coverage and billing procedures to eliminate persistent barriers and expand access to care.** The bill is modeled on a 2001 CMS transmittal that clarified the ability of OT and other rehab practitioners to provide services to individuals with dementia, which dramatically increased access to these services and improved overall care. A similar clarification for mental health could yield the same results.

The H.R.4037 bill language was included in the *Better Mental Health Care, Lower-Cost Drugs, and Extenders Act* (S.3430) that passed the Senate Finance Committee last Congress. As part of this bill, **the Congressional Budget Office estimated that this legislation would have no impact on Medicare spending.**²

Why It Matters

Our country faces a shortage of mental health providers, while OT remains an underused part of the behavioral health workforce. Meanwhile, limited access to care leaves many without the support needed to avoid crises. OT can help fill these gaps by promoting independence and essential life skills. H.R. 4037 ensures this proven service is better understood and more accessible—strengthening our mental health system with existing tools.

**Please co-sponsor H.R. 4037,
the *Occupational Therapy Mental Health Parity Act*.**

Contact Ryan Yeager, ryeager@aota.org for additional information.

¹ <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c15.pdf>

² [https://www.finance.senate.gov/imo/media/doc/section by section analysis of the better mental health care lower-cost drugs and extenders act.pdf](https://www.finance.senate.gov/imo/media/doc/section%20by%20section%20analysis%20of%20the%20better%20mental%20health%20care%20lower-cost%20drugs%20and%20extenders%20act.pdf)