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Cost Estimation for the Provision of Psychotherapy Services by Marriage and Family Therapists Under Medicare

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## **Executive Summary**

## **Background**

Within the Medicare program, psychotherapy services are currently provided by physicians, psychiatrists, clinical psychologists, licensed clinical social workers, and certified clinical nurse specialists. Despite being recognized by the federal government as one of the core mental health professions (Code of Federal Regulations, 2000), marriage and family therapists (MFT's) are not eligible for reimbursement from Medicare.

While a number of studies have analyzed the impact of covering additional services under Medicare (e.g., DaVanzo, Dobson, & Sen, 2002; Haber & McCall, 1989), to date no study is known to have examined the cost of adding MFT's as eligible providers for Medicare participants. The purpose of this project, therefore, is to investigate the impact (over five years) of allowing MFT's to provide Medicare services.

## **Findings**

The five-year estimated net increase in cost due to the provision of psychotherapy services by MFT's is approximately \$10.5 million (or \$2.1 million per year).

The five-year estimated gross increase in cost due to the provision of psychotherapy services by MFT's is approximately \$13.9 million (or \$2.8 million per year).

Overall, the cost for psychotherapy services provided by marriage and family therapists would account for less than ½ of 1% of mental health expenditures.