

A BILL

To amend title XIX of the Social Security Act to establish a grant program to promote culturally responsive healing practices, including arts- and culture-based interventions, and to incentivize State adoption of reimbursement pathways under Medicaid, and for other purposes.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Healing Practices Innovation and Equity Act."

SEC. 2. FINDING.

[ADD]

SEC 3. DEFINITIONS

In this Act, the following terms and phrases mean as follows:

- (a) Healing practices means non-clinical or community-based approaches that promote mental, emotional, or behavioral health and well-being, including:
 - 1) Arts-based interventions, including visual arts, music, dance, and creative expression;
 - 2) Cultural and traditional healing practices;
 - 3) community-based , trauma-informed programs; and
 - 4) Other practices, as deemed appropriate by the Secretary.
- (b) Secretary means the Secretary of Health and Human Services.
- (c) Eligible entity means:
 - 1) A State or State Medicaid agency;
 - 2) A Tribal government or Tribal organization;
 - 3) A unit of local government; or
 - 4) A nonprofit organization, including community-based, arts, and cultural organizations.

SEC 4. ESTABLISHMENT OF GRANT PROGRAM

- (a) In General.

The Secretary, acting through appropriate agencies shall establish a competitive grant program to support the development, implementation, and expansion of healing practices, as defined by this Act.

- (b) Grant Distribution.

The Secretary shall award grants pursuant to the following paragraphs:

1) State Policy and Legislative Incentive Grants.

Grants shall be awarded to states for the following purposes:

- A. Developing and enacting legislation recognizing healing practices as part of available mental health services;
- B. Establishing certification or credentialing pathways for providers;
- C. Submitting State plan amendments or waiver applications under Medicaid to provide reimbursement for such practices; and
- D. Educating and engaging stakeholders, including community-based organizations and non-traditional healing practitioners of the available opportunities.

2) Medicaid Reimbursement Demonstration Grants.

Grants shall be awarded to support eligible entities for the following purposes:

- A. Designing and implementing demonstration projects and pathways to reimburse healing practices under Medicaid;
- B. Developing bill codes, payment methodologies, and provider networks; and
- C. Integrating services into healthcare, behavioral health, and community-based settings.

3) Community Implementation Grants.

Grants shall be awarded to support community-based organizations for the following purposes:

- A. Delivering healing practices;
- B. Supporting workforce development, including stipends for artists and cultural practitioners; and
- C. Establishing or expanding community healing spaces and programs.

SEC 5. PRIORITY POPULATIONS

In awarding such grants, the Secretary shall give priority to projects, organizations, and practitioners that serve the following populations:

- a) Racial and ethnic minority populations;
- b) Youth and young adults;

- c) Individuals experiencing trauma or violence;
- d) Rural and underserved communities; and
- e) Justice-involved individuals.

(a) Federal Guidance

SEC. 5. MEDICAID INCENTIVES.

(a) Enhanced Federal Medical Assistance Percentage.

Notwithstanding any other provision of law, the Federal Medical Assistance Percentage (FMAP) shall be increased by 5 percentage points for expenditures attributable to services described in this Act for States that:

- 1) Enact legislation recognizing healing practices as part of available mental health services; and
- 2) Receive approval from the Secretary for reimbursement of such practices under Medicaid.

(b) Guidance.

The Secretary shall issue guidance to States on the following:

- 1) Approving reimbursement pathways for healing practices;
- 2) Identifying eligible providers, including non-traditional providers;
- 3) Ensuring compliance with quality and accountability standards.

SEC. 7. EVALUATION AND REPORTING.

(a) Evaluation.

The Secretary, in coordination with the National Institute of Health, shall evaluate the effectiveness of programs funded under this Act, including, but not limited to:

- 1) Mental and behavioral health outcomes;
- 2) Functional and quality-of-life outcomes;
- 3) Reductions in emergency department utilization and hospitalizations; and
- 4) Impacts on health disparities.

(b) Reports.

Each grantee shall submit annual reports to the Secretary, and the Secretary shall submit a biennial report to Congress.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

The following funds are authorized to be appropriated for the purposes of this Act:

- (a) \$300,000,000 for each fiscal years 2027 through 2031 to carry out this act.

SEC. 9. EFFECTIVE DATE.

This Act shall take effect one year after the date of enactment.