

SENATE No. 593

The Commonwealth of Massachusetts

PRESENTED BY:

Cindy F. Friedman

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to promote the accessibility, quality and continuity of care for consumers of behavioral health, substance use disorder and mental health services.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>Cindy F. Friedman</i>	<i>Fourth Middlesex</i>	
<i>Kenneth I. Gordon</i>	<i>21st Middlesex</i>	<i>2/1/2019</i>

SENATE No. 593

By Ms. Friedman, a petition (accompanied by bill, Senate, No. 593) of Cindy F. Friedman and Kenneth I. Gordon for legislation to promote the accessibility, quality and continuity of care for consumers of behavioral health, substance use disorder and mental health services. Financial Services.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-First General Court
(2019-2020)**

An Act to promote the accessibility, quality and continuity of care for consumers of behavioral health, substance use disorder and mental health services.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 1 of chapter 176O of the General Laws, as appearing in the 2016
2 Official Edition, is hereby amended by inserting in the definition of Behavioral health manager,
3 after the word “carrier”, in line 20, the words:- , the division of medical assistance, or a self-
4 insured health benefit plan.

5 SECTION 2. Said chapter 176O of the General Laws, as so appearing, is hereby further
6 amended by inserting after section 27 the following sections:-

7 Section 28. Joint negotiations between carriers and providers of behavioral health,
8 substance use disorder and mental health services.

9 (a) Health care professionals who provide behavioral health, substance use disorder and
10 mental health services in the commonwealth are hereby authorized to jointly negotiate with

11 carriers and behavioral health managers and these joint negotiations and related joint
12 communications and activities shall be immune from challenge under the antitrust laws pursuant
13 to the State Action Doctrine through the articulated state policy displacing competition with a
14 joint negotiation process, and the active state supervision of that process, provided in this act.
15 Providers of behavioral health, substance use disorder and mental health services may jointly
16 negotiate with carriers and behavioral health managers and engage in related joint activity
17 regarding fees, fee-related matters and non-fee-related matters, which may affect patient care,
18 including, but not limited to, any of the following:

19 (1) the amount of payment, or the methodology for determining said payment, for a
20 behavioral health, substance use disorder or mental health service;

21 (2) the procedure code and description of service or services which are reimbursed and
22 covered by a payment;

23 (3) the amount of any other component and associated costs of providing services of the
24 reimbursement methodology for a behavioral health, substance use disorder or mental health
25 service;

26 (4) the determination, both substantive and procedural, of medical necessity and other
27 conditions of coverage, including prior authorization;

28 (5) utilization review criteria and procedures;

29 (6) clinical practice guidelines;

30 (7) preventive care and other clinical management policies;

- 31 (8) patient referral standards and procedures, including, but not limited to, those
32 applicable to out-of-network referrals;
- 33 (9) drug formularies and standards and procedures for prescribing off-formulary drugs;
- 34 (10) quality assurance programs;
- 35 (11) respective provider and carrier liability for the treatment or lack of treatment of plan
36 enrollees;
- 37 (12) the method and timing of claims filings and payments, including, but not limited to,
38 interest and penalties for late payments;
- 39 (13) the terms and conditions for amending any agreement between providers and a
40 health insurer, including the amendment of payment methodologies, fee schedules, and payment
41 and claims policies and procedures;
- 42 (14) other administrative procedures, including, but not limited to, enrollee eligibility
43 verification systems, claim documentation requirements, and auditing procedures;
- 44 (15) credentialing standards and procedures for the selection, retention and termination of
45 participating providers;
- 46 (16) mechanisms for resolving disputes between the carrier and providers of behavioral
47 health, substance use disorder and mental health services, including, but not limited to, claims
48 payment and the appeals process for utilization review and credentialing; and
- 49 (17) the carrier plans sold or administered by the insurer in which the providers are
50 required to participate.

51 (b) The following requirements shall apply to the exercise of joint negotiation rights and
52 related activities by providers of behavioral health, substance use disorder and mental health
53 services under this section:

54 (1) providers shall select the members of their joint negotiation group by mutual
55 agreement and may communicate with each other for purposes of forming or considering
56 forming a joint negotiation group about any subject of negotiation permitted by this chapter;

57 (2) providers shall designate a joint negotiation representative as the sole party authorized
58 to negotiate with the carrier on behalf of the providers as a group;

59 (3) providers may communicate with each other and their joint negotiation representative
60 with respect to the matters to be negotiated with the carrier or behavioral health manager;

61 (4) providers may agree upon proposals to be presented by their joint negotiation
62 representative to the carrier or behavioral health manager;

63 (5) providers may agree to be bound by the terms and conditions negotiated by their joint
64 negotiation representative;

65 (6) the joint negotiation representative may provide the providers with the results of
66 negotiations with the carrier and an evaluation of any offer made by the carrier or behavioral
67 health manager, and providers may communicate with each other and their joint negotiation
68 representative regarding the results of such negotiations or terms of such offer, including the
69 acceptance, rejection, and any counterproposal regarding such offer or any part thereof; and

70 (7) the joint negotiation representative may reject a contract proposed by a carrier or
71 behavioral health manager on behalf of the providers so long as the providers remain free to
72 individually contract with the carrier.

73 Provided, nothing herein shall be construed to mean that discussions among and between
74 providers, whether or not in the context of forming or working with a joint negotiation group,
75 violates state or federal antitrust laws, provided such discussions do not constitute a contract,
76 combination or conspiracy in restraint of trade.

77 (c) A joint negotiation representative shall notify a carrier or behavioral health manager
78 of the intent of a joint negotiation group to enter into joint negotiations and shall inform the
79 carrier or behavioral health manager of the members of the joint negotiation group. It shall be
80 unlawful for either party to a negotiation to refuse or fail to meet and negotiate in good faith.
81 Upon a petition by either party, if the attorney general determines that either party to the
82 negotiation has failed to meet or negotiate in good faith, or if the attorney general determines that
83 the parties are at impasse, the attorney general shall appoint an impartial mediator and arbitrator
84 who shall be empowered to engage in fact finding regarding the issues and terms under
85 negotiation and, in the event efforts to mediate an agreed upon resolution are not successful, to
86 render a determination on the disputed terms which shall be final and binding upon the parties,
87 subject to the approval process provided in section 5 of chapter 251. The parties to the
88 negotiations shall share equally in the cost of the services of the impartial mediator and
89 arbitrator. The individual serving as the impartial mediator and arbitrator shall have a
90 background in issues related to the provision of behavioral health, substance use disorder and
91 mental health services as well as dispute resolution.

92 (d) No terms of a jointly negotiated contract or terms determined by an arbitrator
93 pursuant to section 4 of chapter 251 shall be effective until the terms are approved by the
94 behavioral health insurance contract review board, hereinafter, "board," established by section 30
95 of this chapter. The board shall determine whether a proposed contract promotes the availability
96 of quality behavioral health, substance use disorder, and mental health services and approval or
97 disapproval shall be based on this determination. A petition seeking approval shall include the
98 names and business addresses of the joint negotiation representative, the members of the joint
99 negotiating group, and the carrier or behavioral health manager, the negotiated provider contract
100 terms or contract terms determined by the mediator and arbitrator, and such other data,
101 information and documents that the providers or carrier desire to submit in support of their
102 petition or in opposition to a petition which is based on a mediator and arbitrator's determination
103 pursuant to section 4 of chapter 251. The board shall either approve or disapprove a petition
104 within 30 days after the petition is filed. If any petition is disapproved, the board shall furnish a
105 written explanation of any deficiencies with such petition along with a statement of specific
106 remedial measures as to how such deficiencies may be corrected. It shall be unlawful for a party
107 to refuse to negotiate in good faith concerning any deficiencies identified by the board and the
108 impasse and arbitration provisions of section 4 of chapter 251 shall apply to negotiations
109 regarding modifications of a disapproved provider contract or provider contract terms. Any
110 revised petition for approval shall be submitted to the board in accordance with these same
111 procedures.

112 (e) Any petition and related documents submitted under section 5 of chapter 251 shall be
113 considered confidential, not a public record under section 7 of chapter 4 and not subject to
114 disclosure under section 10 of chapter 66.

115 (f) Nothing contained in this act shall be construed to: (1) prohibit or restrict activity by
116 providers of behavioral health, substance use disorders or mental health services that is
117 sanctioned under federal or state laws; (2) prohibit or require governmental approval, or
118 otherwise restrict activity by providers that is not prohibited under federal antitrust laws; (3)
119 require approval of provider contract terms to the extent that the terms are exempt from state
120 regulation under section 514 of the Employee Retirement Income Security Act of 1974, Public
121 Law 93-406; or (4) expand a health care professional's scope of practice or require a carrier or
122 behavioral health manager to contract with any type of specialty of health care professionals.

123 (g) If any provision of this act or the application thereof to any person or circumstance is
124 held invalid, such invalidity shall not affect other provisions or applications of the chapter, which
125 can be given effect without the invalid provision or application, and to this end the provisions of
126 this chapter are declared severable.

127 Section 29. Retaliation against providers; remedies.

128 (a) A carrier or behavioral health manager shall not take retaliatory action against a
129 provider because the provider engages in joint negotiations and related activities permitted by
130 this act or because a provider chooses not to engage in joint negotiations and related activities.

131 (b) Any provider or former provider aggrieved by a violation of this section may, within
132 2 years, initiate a civil action in the superior court. Any party to said action shall be entitled to
133 claim a jury trial. All remedies available in common law tort actions shall be available to
134 prevailing plaintiffs. These remedies are in addition to any legal or equitable relief provided
135 herein. The court may:

136 (1) issue temporary restraining orders or preliminary or permanent injunctions to restrain
137 continued violations of this section;

138 (2) restore the provider to the status held prior to the retaliatory action;

139 (3) compensate the provider for three times the lost remuneration, and interest thereon;
140 and

141 (4) order payment by the carrier or other purchaser of behavioral health, substance use
142 disorder and mental health services of reasonable costs and attorneys' fees.

143 (c) Actions for retaliation pursuant to this section shall not be subject to arbitration or
144 other dispute resolution provisions of agreements between providers and carriers or other
145 purchasers of behavioral health, substance use disorder, or mental health services unless the
146 parties to an action for retaliation brought or which may be brought pursuant to this section
147 specifically agree to submit the action to arbitration or other dispute resolution forum; provided
148 that, all remedies available in a civil action are available in the arbitration or other dispute
149 resolution forum.

150 (e) Nothing in this section shall be deemed to diminish the rights, privileges or remedies
151 of any provider under any other federal or state laws or regulations, or under any jointly
152 negotiated agreements or other contracts.

153 (f) All carriers and behavioral health managers shall annually notify providers of their
154 protections under this section.

155 Section 30. Behavioral health insurance contract review board.

156 (a) There shall be established a behavioral health insurance contract review board,
157 hereinafter, "board," within but not subject to the authority of the attorney general, with the
158 responsibility and authority to review proposed jointly negotiated contracts or contracts
159 determined by an arbitrator pursuant to the joint negotiation provisions of section 28 of this
160 chapter in order to determine whether the proposed contract promotes the availability of quality
161 behavioral health, substance use disorder , and mental health services. The board shall have 9
162 members: the secretary of the executive office of health and human services, or a designee, who
163 shall serve as chairperson; 3 members appointed by the governor, 1 of whom shall be a
164 representative from the division of insurance, 1 of whom shall be from an organization
165 advocating for access to behavioral health services for children and 1 of whom shall be a
166 representative from the Mental Health Legal Advisors, Inc.; 3 members appointed by the
167 attorney general, 1 of whom shall be a health economist, 1 of whom shall be an advocate for
168 substance use disorder treatment and 1 of whom shall be a representative from the National
169 Association of Social Workers; 3 members appointed by the treasurer, all 3 of whom shall be
170 representatives from different behavioral health advocacy organizations. No appointee shall be
171 an employee of any licensed carrier or behavioral health manager authorized to do business in
172 the commonwealth. All appointees shall serve a term of 3 years, but a person appointed to fill a
173 vacancy shall serve only for the unexpired term. An appointed member of the board shall be
174 eligible for reappointment. The board shall annually elect 1 of its members to serve as vice-
175 chairperson.

176 (b) All carriers and behavioral health managers shall file annually with the behavioral
177 health insurance review board a document setting forth, by plan or insurance product and
178 geographic region, the names, business addresses and email addresses of all providers of

179 behavioral health, substance use disorder and mental health services with whom they have
180 contracts, and the number of covered individuals, by geographic region and age.

181 SECTION 5. This act shall take effect on October 1, 2020.