

**SENATE . . . . . No. 733**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*John C. Velis*

*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 relative to unilateral contract changes.

PETITION OF:

NAME:

*John C. Velis*

DISTRICT/ADDRESS:

*Second Hampden and Hampshire*

**SENATE . . . . . No. 733**

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By Mr. Velis, a petition (accompanied by bill, Senate, No. 733) of John C. Velis for legislation relative to unilateral contract changes. Financial Services.

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**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninety-Second General Court  
(2021-2022)**  
\_\_\_\_\_

An Act relative to unilateral contract changes.

*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 13F of chapter 118E of the General Laws, as appearing in the 2018  
2 Official Edition, is hereby amended by inserting at the end the following new paragraph:-

3           The division shall not make a contract with a health care provider which includes a  
4 provision permitting termination without cause. The division shall provide a written statement to  
5 a provider of the reason or reasons for such provider's involuntary disenrollment. The division  
6 shall not make a contract with a health care provider which includes a provision permitting the  
7 division to make a unilateral change to any material term or condition of such contract,  
8 including, but not limited to, changes to underlying fee schedules, payment terms, carrier  
9 policies or procedures, definitions of covered services or covered sites of services, policies  
10 associated with utilization review, quality management and improvement, credentialing or  
11 covered preventive health services, other than a change expressly required by law, unless the  
12 effective date of such unilateral change is after the end of the then-current term of such contract,  
13 and notice of such change was provided, in writing, to the health care provider more than 90

14 days before the date by which the health care provider must provide notice of termination or non-  
15 renewal to the division under such contract. Nothing herein shall prohibit the division and a  
16 health care provider from entering into a mutually-agreeable amendment to such contract.

17 SECTION 2. Section 15 of chapter 176O of the General Laws, as appearing in the 2018  
18 Official Edition, is hereby amended by striking out subsection j and inserting in place thereof the  
19 following new subsection:-

20 (j) No carrier shall make a contract with a health care provider which includes a provision  
21 permitting termination without cause. A carrier shall provide a written statement to a provider of  
22 the reason or reasons for such provider's involuntary disenrollment. No carrier shall make a  
23 contract with a health care provider which includes a provision permitting the carrier to make a  
24 unilateral change to any material term or condition of such contract, including, but not limited to,  
25 changes to underlying fee schedules, payment terms, carrier policies or procedures, definitions of  
26 covered services or covered sites of services, policies associated with utilization review, quality  
27 management and improvement, credentialing or covered preventive health services, other than a  
28 change expressly required by law, unless the effective date of such unilateral change is after the  
29 end of the then-current term of such contract, and notice of such change was provided, in  
30 writing, to the health care provider more than 90 days before the date by which the health care  
31 provider must provide notice of termination or non-renewal to the carrier under such contract.  
32 Nothing herein shall prohibit a carrier and a health care provider from entering into a mutually-  
33 agreeable amendment to such contract.

34 SECTION 3. Section 4 of chapter 32A of the General Laws, as appearing in the 2018  
35 Official Edition, is hereby amended by inserting after the first paragraph the following new  
36 paragraph:-

37 The commission shall not purchase a policy providing health insurance benefits from an  
38 insurance company whose contract with a healthcare provider under said policy includes a  
39 provision permitting termination without cause. The commission shall not purchase a policy  
40 providing health insurance benefits from an insurance company whose contract with a healthcare  
41 provider under said policy includes a provision permitting the carrier to make a unilateral change  
42 to any material term or condition of such contract, including, but not limited to, changes to  
43 underlying fee schedules, payment terms, carrier policies or procedures, definitions of covered  
44 services or covered sites of services, policies associated with utilization review, quality  
45 management and improvement, credentialing or covered preventive health services, other than a  
46 change expressly required by law, unless the effective date of such unilateral change is after the  
47 end of the then-current term of such contract, and notice of such change was provided, in  
48 writing, to the health care provider more than 90 days before the date by which the health care  
49 provider must provide notice of termination or non-renewal to the carrier under such contract.  
50 Nothing herein shall prohibit an insurance company and a health care provider from entering into  
51 a mutually-agreeable amendment to such contract.

52 SECTION 4. Section 4A of chapter 32A of the General Laws as appearing in the 2018  
53 Official Edition, is hereby amended by inserting at the end of the first paragraph the following:-

54 The commission shall not enter into such service-type contracts if said contract includes a  
55 provision permitting the termination without cause of a healthcare provider. The commission

56 shall not enter into such service-type contracts if said contract includes a provision permitting the  
57 carrier to make a unilateral change to any material term or condition of such contract, including,  
58 but not limited to, changes to underlying fee schedules, payment terms, carrier policies or  
59 procedures, definitions of covered services or covered sites of services, policies associated with  
60 utilization review, quality management and improvement, credentialing or covered preventive  
61 health services, other than a change expressly required by law, unless the effective date of such  
62 unilateral change is after the end of the then-current term of such contract, and notice of such  
63 change was provided, in writing, to the health care provider more than 90 days before the date by  
64 which the health care provider must provide notice of termination or non-renewal to the carrier  
65 under such contract. Nothing herein shall prohibit an insurance company and a health care  
66 provider from entering into a mutually-agreeable amendment to such contract.