

HOUSE No. 4894

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, January 8, 2026.

The committee on Financial Services, to whom was referred the petition (accompanied by bill, House, No. 1229) of Michael P. Kushmerek for legislation to further define medical necessity determinations, reports recommending that the accompanying bill (House, No. 4894) ought to pass.

For the committee,

JAMES M. MURPHY.

HOUSE No. 4894

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Fourth General Court
(2025-2026)

An Act to further define medical necessity determinations.

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. Chapter 32A of the General Laws is hereby amended by inserting after
2 section 17Z the following section:-

3 Section 17AA. For the purposes of this section the following terms shall, unless the
4 context clearly requires otherwise, have the following meanings:

5 “Mental health acute treatment”, 24-hour medically supervised mental health services
6 provided in an inpatient facility, licensed by the department of mental health, that provides
7 psychiatric evaluation, management, treatment and discharge planning in a structured treatment
8 milieu.

9 “Mental health crisis stabilization services”, 24-hour clinically managed mental health
10 diversionary or step-down services for adults or adolescents, as defined by MassHealth, usually
11 provided as an alternative to mental health acute treatment or following mental health acute
12 treatment, which may include intensive crisis stabilization counseling, outreach to families and
13 significant others and aftercare planning.

“Community-based acute treatment (CBAT)”, 24-hour clinically managed mental health diversionary or step-down services for children and adolescents, as defined by the department of early education and care, usually provided as an alternative to mental health acute treatment.

“Intensive community-based acute treatment (ICBAT)”, intensive 24-hour clinically managed mental health diversionary or step-down services for children and adolescents, as defined by the department of early education and care, usually provided as an alternative to mental health acute treatment.

The commission shall provide to any active or retired employee of the commonwealth who is insured under the group insurance commission coverage for medically necessary mental health acute treatment and shall not require a preauthorization prior to obtaining treatment. Medical necessity shall be determined by the treating clinician in consultation with the patient and noted in the patient’s medical record.

The commission shall provide to any active or retired employee of the commonwealth who is insured under the group insurance commission coverage for medically necessary mental health crisis stabilization services for up to 14 days and shall not require preauthorization prior to obtaining such services; provided, that the facility shall provide the carrier both notification of admission and the initial treatment plan within 48 hours of admission; provided further, that utilization review procedures may be initiated on day 7. Medical necessity shall be determined by the treating clinician in consultation with the patient and noted in the patient’s medical record.

The commission shall provide to any active or retired employee of the commonwealth who is insured under the group insurance commission coverage for medically necessary community based acute treatment services for up to 21 days; provided, that the facility shall

provide the carrier both notification of admission and the initial treatment plan within 48 hours of admission; provided further, that utilization review procedures may be initiated on day 10. Medical necessity shall be determined by the treating clinician in consultation with the patient and noted in the patient's medical record.

The commission shall provide to any active or retired employee of the commonwealth who is insured under the group insurance commission coverage for medically necessary intensive community based acute treatment services for up to 14 days; provided, that the facility shall provide the carrier both notification of admission and the initial treatment plan within 48 hours of admission; provided further, that utilization review procedures may be initiated on day 7. Medical necessity shall be determined by the treating clinician in consultation with the patient and noted in the patient's medical record.

SECTION 2. Chapter 118E of the General Laws is hereby amended by inserting after section 10Z the following section:-

Section 10AA. For the purposes of this section the following terms shall, unless the context clearly requires otherwise, have the following meanings:

“Mental health acute treatment”, 24-hour medically supervised mental health services provided in an inpatient facility, licensed by the department of mental health, that provides psychiatric evaluation, management, treatment and discharge planning in a structured treatment milieu.

“Mental health crisis stabilization services”, 24-hour clinically managed mental health diversionary or step-down services for adults or adolescents, as defined by MassHealth, usually provided as an alternative to mental health acute treatment or following mental health acute

treatment, which may include intensive crisis stabilization counseling, outreach to families and significant others and aftercare planning.

“Community-based acute treatment (CBAT)”, 24-hour clinically managed mental health diversionary or step-down services for children and adolescents, as defined by the department of early education and care, usually provided as an alternative to mental health acute treatment.

“Intensive community-based acute treatment (ICBAT)”, intensive 24-hour clinically managed mental health diversionary or step-down services for children and adolescents, as defined by the department of early education and care, usually provided as an alternative to mental health acute treatment.

The division and its contracted health insurers, health plans, health maintenance organizations, behavioral health management firms and third party administrators under contract to a Medicaid managed care organization or primary care clinician plan shall cover the cost of medically necessary mental health acute treatment and shall not require a preauthorization prior to obtaining treatment. Medical necessity shall be determined by the treating clinician in consultation with the patient and noted in the patient’s medical record.

The division and its contracted health insurers, health plans, health maintenance organizations, behavioral health management firms and third party administrators under contract to a Medicaid managed care organization or primary care clinician plan shall cover the cost of medically necessary mental health crisis stabilization services for up to 14 days and shall not require preauthorization prior to obtaining such services; provided, that the facility shall provide the carrier both notification of admission and the initial treatment plan within 48 hours of admission; provided further, that utilization review procedures may be initiated on day 7.

Medical necessity shall be determined by the treating clinician in consultation with the patient and noted in the patient's medical record.

The division and its contracted health insurers, health plans, health maintenance organizations, behavioral health management firms and third party administrators under contract to a Medicaid managed care organization or primary care clinician plan shall cover the cost of medically necessary community based acute treatment services for up to 21 days; provided, that the facility shall provide the carrier both notification of admission and the initial treatment plan within 48 hours of admission; provided further, that utilization review procedures may be initiated on day 10. Medical necessity shall be determined by the treating clinician in consultation with the patient and noted in the patient's medical record.

The division and its contracted health insurers, health plans, health maintenance organizations, behavioral health management firms and third party administrators under contract to a Medicaid managed care organization or primary care clinician plan shall cover the cost of medically necessary intensive community based acute treatment services for up to 14 days; provided, that the facility shall provide the carrier both notification of admission and the initial treatment plan within 48 hours of admission; provided further, that utilization review procedures may be initiated on day 7. Medical necessity shall be determined by the treating clinician in consultation with the patient and noted in the patient's medical record.

SECTION 3. Chapter 175 of the General Laws is hereby amended by inserting before section 47CCC the following section:-

Section 47AAA. For the purposes of this section the following terms shall, unless the context clearly requires otherwise, have the following meanings:

“Mental health acute treatment”, 24-hour medically supervised mental health services provided in an inpatient facility, licensed by the department of mental health, that provides psychiatric evaluation, management, treatment and discharge planning in a structured treatment milieu.

“Mental health crisis stabilization services”, 24-hour clinically managed mental health diversionary or step-down services for adults or adolescents, as defined by MassHealth, usually provided as an alternative to mental health acute treatment or following mental health acute treatment, which may include intensive crisis stabilization counseling, outreach to families and significant others and aftercare planning.

“Community-based acute treatment (CBAT)”, 24-hour clinically managed mental health diversionary or step-down services for children and adolescents, as defined by the department of early education and care, usually provided as an alternative to mental health acute treatment.

“Intensive community-based acute treatment (ICBAT)”, intensive 24-hour clinically managed mental health diversionary or step-down services for children and adolescents, as defined by the department of early education and care, usually provided as an alternative to mental health acute treatment.

Any blanket or general policy of insurance described in subdivision (A), (C), or (D) of section one hundred and ten which is issued or subsequently renewed by agreement between the insurer and the policyholder, within or without the commonwealth, during the period within which this premium is effective, or any policy of accident or sickness insurance as described in section one hundred and eight which provides hospital expense and surgical expense insurance and which is delivered or issued for delivery or subsequently renewed by agreement between the

insurer and the policyholder in the commonwealth, during the period within which this provision is effective, or any employers' health and welfare fund which provides hospital expense and surgical expense benefits and which is issued or renewed to any person or group of persons in the commonwealth, during the period within which this provision is effective, shall provide coverage for medically necessary mental health acute treatment and shall not require a preauthorization prior to obtaining treatment. Medical necessity shall be determined by the treating clinician in consultation with the patient and noted in the patient's medical record.

Any blanket or general policy of insurance described in subdivision (A), (C), or (D) of section one hundred and ten which is issued or subsequently renewed by agreement between the insurer and the policyholder, within or without the commonwealth, during the period within which this premium is effective, or any policy of accident or sickness insurance as described in section one hundred and eight which provides hospital expense and surgical expense insurance and which is delivered or issued for delivery or subsequently renewed by agreement between the insurer and the policyholder in the commonwealth, during the period within which this provision is effective, or any employers' health and welfare fund which provides hospital expense and surgical expense benefits and which is issued or renewed to any person or group of persons in the commonwealth, during the period within which this provision is effective, shall provide coverage for medically necessary mental health crisis stabilization services for up to 14 days and shall not require preauthorization prior to obtaining such services; provided, that the facility shall provide the carrier both notification of admission and the initial treatment plan within 48 hours of admission; provided further, that utilization review procedures may be initiated on day 7. Medical necessity shall be determined by the treating clinician in consultation with the patient and noted in the patient's medical record.

Any blanket or general policy of insurance described in subdivision (A), (C), or (D) of section one hundred and ten which is issued or subsequently renewed by agreement between the insurer and the policyholder, within or without the commonwealth, during the period within which this premium is effective, or any policy of accident or sickness insurance as described in section one hundred and eight which provides hospital expense and surgical expense insurance and which is delivered or issued for delivery or subsequently renewed by agreement between the insurer and the policyholder in the commonwealth, during the period within which this provision is effective, or any employers' health and welfare fund which provides hospital expense and surgical expense benefits and which is issued or renewed to any person or group of persons in the commonwealth, during the period within which this provision is effective, shall provide coverage for medically necessary community based acute treatment services for up to 21 days; provided, that the facility shall provide the carrier both notification of admission and the initial treatment plan within 48 hours of admission; provided further, that utilization review procedures may be initiated on day 10. Medical necessity shall be determined by the treating clinician in consultation with the patient and noted in the patient's medical record.

Any blanket or general policy of insurance described in subdivision (A), (C), or (D) of section one hundred and ten which is issued or subsequently renewed by agreement between the insurer and the policyholder, within or without the commonwealth, during the period within which this premium is effective, or any policy of accident or sickness insurance as described in section one hundred and eight which provides hospital expense and surgical expense insurance and which is delivered or issued for delivery or subsequently renewed by agreement between the insurer and the policyholder in the commonwealth, during the period within which this provision is effective, or any employers' health and welfare fund which provides hospital expense and

surgical expense benefits and which is issued or renewed to any person or group of persons in the commonwealth, during the period within which this provision is effective, shall provide coverage for medically necessary intensive community based acute treatment services for up to 14 days; provided, that the facility shall provide the carrier both notification of admission and the initial treatment plan within 48 hours of admission; provided further, that utilization review procedures may be initiated on day 7. Medical necessity shall be determined by the treating clinician in consultation with the patient and noted in the patient's medical record.

SECTION 4. Chapter 176A of the General Laws is hereby amended by inserting after section 8DDD the following section:-

Section 8EEE. For the purposes of this section the following terms shall, unless the context clearly requires otherwise, have the following meanings:

“Mental health acute treatment”, 24-hour medically supervised mental health services provided in an inpatient facility, licensed by the department of mental health, that provides psychiatric evaluation, management, treatment and discharge planning in a structured treatment milieu.

“Mental health crisis stabilization services”, 24-hour clinically managed mental health diversionary or step-down services for adults or adolescents, as defined by MassHealth, usually provided as an alternative to mental health acute treatment or following mental health acute treatment, which may include intensive crisis stabilization counseling, outreach to families and significant others and aftercare planning.

“Community-based acute treatment (CBAT)”, 24-hour clinically managed mental health diversionary or step-down services for children and adolescents, as defined by the department of early education and care, usually provided as an alternative to mental health acute treatment.

“Intensive community-based acute treatment (ICBAT)”, intensive 24-hour clinically managed mental health diversionary or step-down services for children and adolescents, as defined by the department of early education and care, usually provided as an alternative to mental health acute treatment.

Any contract between a subscriber and the corporation under an individual or group hospital service plan which is delivered, issued or renewed within the commonwealth shall provide coverage for medically necessary mental health acute treatment and shall not require a preauthorization prior to obtaining treatment. Medical necessity shall be determined by the treating clinician in consultation with the patient and noted in the patient’s medical record.

Any contract between a subscriber and the corporation under an individual or group hospital service plan which is delivered, issued or renewed within the commonwealth shall provide coverage for medically necessary mental health crisis stabilization services for up to 14 days and shall not require preauthorization prior to obtaining such services; provided, that the facility shall provide the carrier both notification of admission and the initial treatment plan within 48 hours of admission; provided further, that utilization review procedures may be initiated on day 7. Medical necessity shall be determined by the treating clinician in consultation with the patient and noted in the patient’s medical record.

Any contract between a subscriber and the corporation under an individual or group hospital service plan which is delivered, issued or renewed within the commonwealth shall

provide coverage for medically necessary community based acute treatment services for up to 21 days; provided, that the facility shall provide the carrier both notification of admission and the initial treatment plan within 48 hours of admission; provided further, that utilization review procedures may be initiated on day 10. Medical necessity shall be determined by the treating clinician in consultation with the patient and noted in the patient's medical record.

Any contract between a subscriber and the corporation under an individual or group hospital service plan which is delivered, issued or renewed within the commonwealth shall provide coverage for medically necessary intensive community based acute treatment services for up to 14 days; provided, that the facility shall provide the carrier both notification of admission and the initial treatment plan within 48 hours of admission; provided further, that utilization review procedures may be initiated on day 7. Medical necessity shall be determined by the treating clinician in consultation with the patient and noted in the patient's medical record.

SECTION 5. Chapter 176B of the General Laws is hereby amended by inserting after section 4DDD the following section:-

Section 4EEE. For the purposes of this section the following terms shall, unless the context clearly requires otherwise, have the following meanings:

“Mental health acute treatment”, 24-hour medically supervised mental health services provided in an inpatient facility, licensed by the department of mental health, that provides psychiatric evaluation, management, treatment and discharge planning in a structured treatment milieu.

“Mental health crisis stabilization services”, 24-hour clinically managed mental health diversionary or step-down services for adults or adolescents, as defined by MassHealth, usually

provided as an alternative to mental health acute treatment or following mental health acute treatment, which may include intensive crisis stabilization counseling, outreach to families and significant others and aftercare planning.

“Community-based acute treatment (CBAT)”, 24-hour clinically managed mental health diversionary or step-down services for children and adolescents, as defined by the department of early education and care, usually provided as an alternative to mental health acute treatment.

“Intensive community-based acute treatment (ICBAT)”, intensive 24-hour clinically managed mental health diversionary or step-down services for children and adolescents, as defined by the department of early education and care, usually provided as an alternative to mental health acute treatment.

Any subscription certificate under an individual or group medical service agreement delivered, issued or renewed within the commonwealth shall provide coverage for medically necessary mental health acute treatment and shall not require a preauthorization prior to obtaining treatment. Medical necessity shall be determined by the treating clinician in consultation with the patient and noted in the patient’s medical record.

Any subscription certificate under an individual or group medical service agreement delivered, issued or renewed within the commonwealth shall provide coverage for medically necessary mental health crisis stabilization services for up to 14 days and shall not require preauthorization prior to obtaining such services; provided, that the facility shall provide the carrier both notification of admission and the initial treatment plan within 48 hours of admission; provided further, that utilization review procedures may be initiated on day 7. Medical necessity

255 shall be determined by the treating clinician in consultation with the patient and noted in the
256 patient's medical record.

257 Any subscription certificate under an individual or group medical service agreement
258 delivered, issued or renewed within the commonwealth shall provide coverage for medically
259 necessary community based acute treatment services for up to 21 days; provided, that the facility
260 shall provide the carrier both notification of admission and the initial treatment plan within 48
261 hours of admission; provided further, that utilization review procedures may be initiated on day
262 10. Medical necessity shall be determined by the treating clinician in consultation with the
263 patient and noted in the patient's medical record.

264 Any subscription certificate under an individual or group medical service agreement
265 delivered, issued or renewed within the commonwealth shall provide coverage for medically
266 necessary intensive community based acute treatment services for up to 14 days; provided, that
267 the facility shall provide the carrier both notification of admission and the initial treatment plan
268 within 48 hours of admission; provided further, that utilization review procedures may be
269 initiated on day 7. Medical necessity shall be determined by the treating clinician in consultation
270 with the patient and noted in the patient's medical record.

271 SECTION 6. Chapter 176G of the General Laws is hereby amended by inserting after
272 section 4VV the following section:-

273 Section 4WW. For the purposes of this section the following terms shall, unless the
274 context clearly requires otherwise, have the following meanings:

275 "Mental health acute treatment", 24-hour medically supervised mental health services
276 provided in an inpatient facility, licensed by the department of mental health, that provides

psychiatric evaluation, management, treatment and discharge planning in a structured treatment milieu.

“Mental health crisis stabilization services”, 24-hour clinically managed mental health diversionary or step-down services for adults or adolescents, as defined by MassHealth, usually provided as an alternative to mental health acute treatment or following mental health acute treatment, which may include intensive crisis stabilization counseling, outreach to families and significant others and aftercare planning.

“Community-based acute treatment (CBAT)”, 24-hour clinically managed mental health diversionary or step-down services for children and adolescents, as defined by the department of early education and care, usually provided as an alternative to mental health acute treatment.

“Intensive community-based acute treatment (ICBAT)”, intensive 24-hour clinically managed mental health diversionary or step-down services for children and adolescents, as defined by the department of early education and care, usually provided as an alternative to mental health acute treatment.

Any individual or group health maintenance contract that is issued or renewed shall provide coverage for medically necessary mental health acute treatment and shall not require a preauthorization prior to obtaining treatment. Medical necessity shall be determined by the treating clinician in consultation with the patient and noted in the patient’s medical record.

Any individual or group health maintenance contract that is issued or renewed shall provide coverage for medically necessary mental health crisis stabilization services for up to 14 days and shall not require preauthorization prior to obtaining such services; provided, that the facility shall provide the carrier both notification of admission and the initial treatment plan

299 within 48 hours of admission; provided further, that utilization review procedures may be
300 initiated on day 7. Medical necessity shall be determined by the treating clinician in consultation
301 with the patient and noted in the patient's medical record.

302 Any individual or group health maintenance contract that is issued or renewed shall
303 provide coverage for medically necessary community based acute treatment services for up to 21
304 days; provided, that the facility shall provide the carrier both notification of admission and the
305 initial treatment plan within 48 hours of admission; provided further, that utilization review
306 procedures may be initiated on day 10. Medical necessity shall be determined by the treating
307 clinician in consultation with the patient and noted in the patient's medical record.

308 Any individual or group health maintenance contract that is issued or renewed shall
309 provide coverage for medically necessary intensive community based acute treatment services
310 for up to 14 days; provided, that the facility shall provide the carrier both notification of
311 admission and the initial treatment plan within 48 hours of admission; provided further, that
312 utilization review procedures may be initiated on day 7. Medical necessity shall be determined
313 by the treating clinician in consultation with the patient and noted in the patient's medical record.