

**SENATE . . . . . No. 582**

**The Commonwealth of Massachusetts**

PRESENTED BY:

***Michael J. Rodrigues***

*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 limit retroactive denials of health insurance claims for mental health and substance abuse services.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>Michael J. Rodrigues</i>	<i>First Bristol and Plymouth</i>	
<i>Kenneth J. Donnelly</i>	<i>Fourth Middlesex</i>	<i>1/30/2017</i>
<i>Donald F. Humason, Jr.</i>	<i>Second Hampden and Hampshire</i>	<i>1/30/2017</i>
<i>William N. Brownsberger</i>	<i>Second Suffolk and Middlesex</i>	<i>1/30/2017</i>
<i>Jason M. Lewis</i>	<i>Fifth Middlesex</i>	<i>1/30/2017</i>
<i>Tricia Farley-Bouvier</i>	<i>3rd Berkshire</i>	<i>1/30/2017</i>
<i>Angelo J. Puppolo, Jr.</i>	<i>12th Hampden</i>	<i>1/30/2017</i>
<i>Marjorie C. Decker</i>	<i>25th Middlesex</i>	<i>1/30/2017</i>
<i>Daniel J. Ryan</i>	<i>2nd Suffolk</i>	<i>1/30/2017</i>
<i>Denise Provost</i>	<i>27th Middlesex</i>	<i>1/30/2017</i>
<i>Jack Lewis</i>	<i>7th Middlesex</i>	<i>1/26/2017</i>
<i>Jose F. Tosado</i>	<i>9th Hampden</i>	<i>1/26/2017</i>
<i>Patrick M. O'Connor</i>	<i>Plymouth and Norfolk</i>	<i>1/31/2017</i>
<i>Brian Murray</i>	<i>10th Worcester</i>	
<i>Colleen M. Garry</i>	<i>36th Middlesex</i>	<i>2/3/2017</i>
<i>Sal N. DiDomenico</i>	<i>Middlesex and Suffolk</i>	<i>2/3/2017</i>
<i>Daniel M. Donahue</i>	<i>16th Worcester</i>	<i>2/3/2017</i>

<i>Mike Connolly</i>	<i>26th Middlesex</i>	<i>2/3/2017</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	
<i>Joan B. Lovely</i>	<i>Second Essex</i>	<i>2/3/2017</i>
<i>Michael O. Moore</i>	<i>Second Worcester</i>	<i>2/3/2017</i>
<i>Alan Silvia</i>	<i>7th Bristol</i>	<i>2/3/2017</i>
<i>Mark C. Montigny</i>	<i>Second Bristol and Plymouth</i>	<i>2/3/2017</i>
<i>Linda Dorcena Forry</i>	<i>First Suffolk</i>	<i>2/3/2017</i>
<i>Bradley H. Jones, Jr.</i>	<i>20th Middlesex</i>	
<i>Jay R. Kaufman</i>	<i>15th Middlesex</i>	<i>2/3/2017</i>
<i>John F. Keenan</i>	<i>Norfolk and Plymouth</i>	<i>2/6/2017</i>

**SENATE . . . . . No. 582**

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By Mr. Rodrigues, a petition (accompanied by bill, Senate, No. 582) of Michael J. Rodrigues, Kenneth J. Donnelly, Donald F. Humason, Jr., William N. Brownsberger and other members of the General Court for legislation to limit retroactive denials of health insurance claims for mental health and substance abuse services. Financial Services.

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**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninetieth General Court  
(2017-2018)**  
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An Act to limit retroactive denials of health insurance claims for mental health and substance abuse 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. Chapter 32A of the General Laws, as appearing in the 20XX Official  
2 Edition, is hereby amended by inserting after section 4A the following new section: -

3           Section 4B. (a) The commission or any entity with which the commission contracts to  
4 provide or manage health insurance benefits, including mental health services, shall not impose a  
5 retroactive claims denial, as defined in section 1 of chapter 175, for behavioral health services, as  
6 defined in section 1 of chapter 175, on a provider unless:

7           (i)     Less than six months have elapsed from the time of submission of the claim by  
8 the provider to the commission or other entity responsible for payment;

9           (ii)     The commission or other entity has furnished the provider with a written  
10 explanation of the reason for the retroactive claim denial, and a description of additional  
11 documentation or other corrective actions required for payment of the claim.

12           (b) Notwithstanding clauses (i) of paragraph (d), retroactive claim denials may be  
13 permitted after six months if:

14           (i)     The claim was submitted fraudulently;

15           (ii)    The claim payment is subject to adjustment due to expected payment from  
16 another payer and not more than 12 months have elapsed since submission of the claim; or

17           (iii)   The claims, or services for which the claim has been submitted, is the subject of  
18 legal action.

19           (c) In cases in which a retroactive claim denial is imposed under clause (ii) of paragraph  
20 (b), the commission or other entity shall notify a provider at least 15 days before imposing the  
21 retroactive claim denial and the provider shall have six months to determine whether the claim is  
22 subject to payment by a secondary insurer. Notwithstanding the contractual terms between the  
23 provider and insurer, an insurer shall allow for submission of a claim that was previously denied  
24 by another insurer due to the insured's transfer or termination of coverage.

25           (d) For the purposes of this subsection, provider shall mean a mental health clinic or  
26 substance use disorder program licensed by the department of public health under Chapters 18,  
27 111, 111B, or 111E , a behavioral, substance use disorder, or mental health professional who is  
28 licensed under Chapter 112 of the General Laws and accredited or certified to provide services  
29 consistent with law and who has provided services under an express or implied contract or with

30 the expectation of receiving payment, other than co- payment, deductible or co-insurance,  
31 directly or indirectly from the commission or other entity.

32 SECTION 2. Chapter 118E of the General Laws, as so appearing, is amended by  
33 inserting after section 38 the following new section: -

34 38A. (a) The division or any entity with which the division contracts to provide or  
35 manage health insurance benefits, including mental health services, shall not impose a retroactive  
36 claims denial, as defined in section 1 of chapter 175, for behavioral health services, as defined in  
37 section 1 of chapter 175, on a provider unless:

38 (i) Less than six months have elapsed from the time of submission of the claim by  
39 the provider to the division or other entity responsible for payment;

40 (ii) The division or other entity has furnished the provider with a written explanation  
41 of the reason for the retroactive claim denial, and a description of additional documentation or  
42 other corrective actions required for payment of the claim.

43 (b) Notwithstanding clauses (i) of paragraph (d), retroactive claim denials may be  
44 permitted after six months if:

45 (i) The claim was submitted fraudulently;

46 (ii) The claim payment is subject to adjustment due to expected payment from  
47 another payer and not more than 12 months have elapsed since submission of the claim; or

48 (iii) The claims, or services for which the claim has been submitted, is the subject of  
49 legal action.

50 (c) In cases in which a retroactive claim denial is imposed under clause (ii) of paragraph  
51 (b), the division or other entity shall notify a provider at least 15 days before imposing the  
52 retroactive claim denial and the provider shall have six months to determine whether the claim is  
53 subject to payment by a secondary insurer. Notwithstanding the contractual terms between the  
54 provider and insurer, an insurer shall allow for submission of a claim that was previously denied  
55 by another insurer due to the insured's transfer or termination of coverage.

56 (d) For the purposes of this subsection, provider shall mean a mental health clinic or  
57 substance use disorder program licensed by the department of public health under Chapters 18,  
58 111, 111B, or 111E, a behavioral, substance use disorder, or mental health professional who is  
59 licensed under Chapter 112 of the General Laws and accredited or certified to provide services  
60 consistent with law and who has provided services under an express or implied contract or with  
61 the expectation of receiving payment, other than co- payment, deductible or co-insurance,  
62 directly or indirectly from the division or managed care entity.

63 SECTION 3. Section 1 of Chapter 175 of the General Laws, as so appearing, is amended  
64 by inserting before the definition of "Commissioner" the following new definition:

65 "Behavioral Health", mental health and substance use disorder prevention, recovery and  
66 treatment services including but not limited to inpatient 24 hour levels of care, 24 hour and non  
67 24 hour diversionary levels of care, intermediate levels of care and outpatient services

68 and by inserting after the definition of "Resident" the following new definition:

69 "Retroactive Claim Denial", an action by a) an insurer, b) an entity with which the  
70 insurer subcontracts to manage behavioral health services, c) an entity with which the Group  
71 Insurance Commission has entered into an administrative services contract or a contract to

72 manage behavioral health services, or d) the executive office of health and human services acting  
73 as the single state agency under section 1902(a)(5) of the Social Security Act authorized to  
74 administer programs under title XIX, to deny a previously paid claim for services and to require  
75 repayment of the claim, impose a reduction in other payments, or otherwise withhold or affect  
76 future payments owed a provider in order to recoup payment for the denied claim.

77 SECTION 4. Section 108 of chapter 175 of the General Laws, as so appearing, is hereby  
78 amended by adding the following new subsection at the end thereof: -

79 (a) No insurer shall impose a retroactive claims denial, as defined in section 1 of chapter  
80 175, for behavioral health services, as defined in section 1 of chapter 175, on a provider unless:

81 (i) Less than six months have elapsed from the time of submission of the claim by  
82 the provider to the insurer or other entity responsible for payment;

83 (ii) The insurer or other entity has furnished the provider with a written explanation  
84 of the reason for the retroactive claim denial, and a description of additional documentation or  
85 other corrective actions required for payment of the claim.

86 (b) Notwithstanding clauses (i) of paragraph (d), retroactive claim denials may be  
87 permitted after six months if:

88 (i) The claim was submitted fraudulently;

89 (ii) The claim payment is subject to adjustment due to expected payment from  
90 another payer and not more than 12 months have elapsed since submission of the claim; or

91 (iii) The claims, or services for which the claim has been submitted, is the subject of  
92 legal action.

93 (c) In cases in which a retroactive claim denial is imposed under clause (ii) of paragraph  
94 (b), the insurer shall notify a provider at least 15 days before imposing the retroactive claim  
95 denial and the provider shall have six months to determine whether the claim is subject to  
96 payment by a secondary insurer. Notwithstanding the contractual terms between the provider and  
97 insurer, an insurer shall allow for submission of a claim that was previously denied by another  
98 insurer due to the insured's transfer or termination of coverage.

99 (d) For the purposes of this subsection, provider shall mean a mental health clinic or  
100 substance use disorder program licensed by the department of public health under Chapters 18,  
101 111, 111B, or 111E, a behavioral, substance use disorder, or mental health professional who is  
102 licensed under Chapter 112 of the General Laws and accredited or certified to provide services  
103 consistent with law and who has provided services under an express or implied contract or with  
104 the expectation of receiving payment, other than co- payment, deductible or co-insurance,  
105 directly or indirectly from an insurer.

106 SECTION 5. Chapter 176A of the General Laws, as so appearing, is amended by  
107 inserting after section 8 the following new section:-

108 Section 8A (a) The corporation shall not impose a retroactive claims denial, as defined in  
109 section 1 of chapter 175, for behavioral health services, as defined in section 1 of chapter 175, on  
110 a provider unless:

111 (i) Less than six months have elapsed from the time of submission of the claim by  
112 the provider to the corporation;



113           (ii)     The corporation has furnished the provider with a written explanation of the  
114 reason for the retroactive claim denial, and a description of additional documentation or other  
115 corrective actions required for payment of the claim.

116           (b) Notwithstanding clauses (i) of paragraph (d), retroactive claim denials may be  
117 permitted after six months if:

118           (i)     The claim was submitted fraudulently;

119           (ii)    The claim payment is subject to adjustment due to expected payment from  
120 another payer and not more than 12 months have elapsed since submission of the claim; or

121           (iii)   The claims, or services for which the claim has been submitted, is the subject of  
122 legal action.

123           (c) In cases in which a retroactive claim denial is imposed under clause (ii) of paragraph  
124 (b), the corporation shall notify a provider at least 15 days before imposing the retroactive claim  
125 denial and the provider shall have six months to determine whether the claim is subject to  
126 payment by a secondary payer. Notwithstanding the contractual terms between the provider and  
127 secondary payer, the payer shall allow for submission of a claim that was previously denied by  
128 the corporation due to the insured's transfer or termination of coverage.

129           (d) For the purposes of this subsection, provider shall mean a mental health clinic or  
130 substance use disorder program licensed by the department of public health under Chapters 18,  
131 111, 111B, or 111E, a behavioral, substance use disorder, or mental health professional who is  
132 licensed under Chapter 112 of the General Laws and accredited or certified to provide services  
133 consistent with law and who has provided services under an express or implied contract or with

134 the expectation of receiving payment, other than co- payment, deductible or co-insurance,  
135 directly or indirectly from an insurer.

136 SECTION 6. Chapter 176B of the General Laws, as so appearing is hereby amended by  
137 inserting after section 7C the following new section:-

138 Section 7D (a) The corporation shall not impose a retroactive claims denial, as defined in  
139 section 1 of chapter 175, for behavioral health services, as defined in section 1 of chapter 175, on  
140 a provider unless:

141 (i) Less than six months have elapsed from the time of submission of the claim by  
142 the provider to the corporation;

143 (ii) The corporation has furnished the provider with a written explanation of the  
144 reason for the retroactive claim denial, and a description of additional documentation or other  
145 corrective actions required for payment of the claim.

146 (b) Notwithstanding clauses (i) of paragraph (d), retroactive claim denials may be  
147 permitted after six months if:

148 (i) The claim was submitted fraudulently;

149 (ii) The claim payment is subject to adjustment due to expected payment from  
150 another payer and not more than 12 months have elapsed since submission of the claim; or

151 (iii) The claims, or services for which the claim has been submitted, is the subject of  
152 legal action.

153 (c) In cases in which a retroactive claim denial is imposed under clause (ii) of paragraph  
154 (b), the corporation shall notify a provider at least 15 days before imposing the retroactive claim  
155 denial and the provider shall have six months to determine whether the claim is subject to  
156 payment by a secondary payer. Notwithstanding the contractual terms between the provider and  
157 secondary payer, the payer shall allow for submission of a claim that was previously denied by  
158 the corporation due to the insured's transfer or termination of coverage.

159 (d) For the purposes of this subsection, provider shall mean a mental health clinic or  
160 substance use disorder program licensed by the department of public health under Chapters 18,  
161 111, 111B, or 111E , a behavioral, substance use disorder, or mental health professional who is  
162 licensed under Chapter 112 of the General Laws and accredited or certified to provide services  
163 consistent with law and who has provided services under an express or implied contract or with  
164 the expectation of receiving payment, other than co- payment, deductible or co-insurance,  
165 directly or indirectly from an insurer.

166 SECTION 7. Chapter 176G of the General Laws, as so appearing, is hereby amended by  
167 inserting after section 6A the following new section:-

168 Section 6B. (a) No insurer shall impose a retroactive claims denial, as defined in section  
169 1 of chapter 175, for behavioral health services, as defined in section 1 of chapter 175, on a  
170 provider unless:

171 (i) Less than six months have elapsed from the time of submission of the claim by  
172 the provider to the insurer or other entity responsible for payment;

173 (ii) The insurer or other entity has furnished the provider with a written explanation  
174 of the reason for the retroactive claim denial, and a description of additional documentation or  
175 other corrective actions required for payment of the claim.

176 (b) Notwithstanding clauses (i) of paragraph (d), retroactive claim denials may be  
177 permitted after six months if:

178 (i) The claim was submitted fraudulently;

179 (ii) The claim payment is subject to adjustment due to expected payment from  
180 another payer and not more than 12 months have elapsed since submission of the claim; or

181 (iii) The claims, or services for which the claim has been submitted, is the subject of  
182 legal action.

183 (c) In cases in which a retroactive claim denial is imposed under clause (ii) of paragraph  
184 (b), the insurer shall notify a provider at least 15 days before imposing the retroactive claim  
185 denial and the provider shall have six months to determine whether the claim is subject to  
186 payment by a secondary insurer. Notwithstanding the contractual terms between the provider and  
187 insurer, an insurer shall allow for submission of a claim that was previously denied by another  
188 insurer due to the insured's transfer or termination of coverage.

189 (d) For the purposes of this subsection, provider shall mean a mental health clinic or  
190 substance use disorder program licensed by the department of public health under Chapters 18,  
191 111, 111B, or 111E, a behavioral, substance use disorder, or mental health professional who is  
192 licensed under Chapter 112 of the General Laws and accredited or certified to provide services  
193 consistent with law and who has provided services under an express or implied contract or with

194 the expectation of receiving payment, other than co- payment, deductible or co-insurance,  
195 directly or indirectly from an insurer.

196 SECTION 8. The Division of Medical Assistance is hereby authorized and directed to  
197 develop an internal process for the reconciliation of claims due to retroactive eligibility changes  
198 and/or duplicate enrollments in cases that involve multiple payers for services provided to  
199 MassHealth enrollees. This process shall not require provider involvement. The division shall  
200 report to the senate and house committees on ways and means on this process no longer than five  
201 months after enactment of this legislation.