

## An Act for medical necessity fairness S.645 (Senator Cronin)



### What problem does this bill address?

Current federal and state law requires health insurance carriers to achieve coverage parity between mental health & substance use disorders (MH/SUD) and medical/surgical benefits, especially in regards to financial requirements and treatment limitations. However, problems persist. Families are denied mental and behavioral health services because they were not considered “**medically necessary.**”

- A service that is justified as reasonable, necessary, and/or appropriate, based on evidence-based clinical standards of care is considered **medically necessary**. Insurance Plans must have **medical necessity criteria** for determining what is necessary in treatment. This criteria serves as a why/why not for covering services.
- **Utilization management (UM)** is a strategy for evaluating the efficiency, appropriateness, and medical necessity of the treatments, services, procedures, and facilities provided to patients on a case-by-case basis. UM is used by payers to prevent unnecessary healthcare costs to the provider.
- **Medical necessity and utilization management are key elements in mental health parity as these determinations cannot be more exclusive/restrictive than medical necessity criteria for medical/surgical services.**

### What difference will this bill make?

This bill creates parity between mental and physical health care with respect to health insurers’ medical necessity criteria and utilization management procedures. Ensuring fair and evidence-based medical necessity criteria improves access to behavioral health care for children and families.

- Carriers must check compliance with parity before making changes to utilization management or medical necessity criteria
- MassHealth and commercial carriers must use American Society of Addiction Medicine when developing medical necessity and utilization management determinations for substance use disorder or co-occurring substance use disorder and mental illness
- With regard to coverage and placement type, medical necessity determinations must follow generally accepted, evidence-based standards, including from non-profit professional associations for the appropriate clinical specialty,

### With a focus on equity:

*There are long standing disparities in access to behavioral healthcare faced by Black and brown children and families. Inaccurate definitions and inconsistent coverage has a more acute impact on Black communities who are more likely to face insurance concerns, or face difficulty in getting needed care, tests or treatment.<sup>1</sup> Massachusetts must update its parity laws to ensure equitable access and coverage of behavioral healthcare for all residents and families in the Commonwealth.*

### Why is this bill needed now?

As the COVID-19 pandemic continues to impact children and families, the need for behavioral health services and supports will continue to rise. This bill eliminates financial barriers to care and ensures that behavioral health needs can be addressed without delay.