



CliniciansUNITED
for affordable, accessible mental health services



Protect Mental Health & Addiction Treatment Providers from Insurance Clawback

Representative Jim O'Day (HB4315) & Senator Michael Rodrigues (SB2403)

This bill establishes fair parameters around the health insurance practice of reverting payments (clawbacks) for which providers of behavioral health services had received previous authorization and been paid by health insurers.

What is the current problem?

- Providers must check a client's insurance status before providing services to patients, and follow any insurance prior authorization requirements. They are then required to meet a billing deadline (usually 60 or 90 days).
- Health insurers have an unlimited time to retract payment when they discover the patient was not covered, even though they authorized the services and paid the claim. This can happen years after the service was provided. At that point, it is often too late for the provider to bill the correct insurer due to timely billing requirements of insurers.
- Patients receive the service they need, the insurer is no longer responsible for payment and the provider is left without payment.
- At least **24 other states impose some limitations** on the time within which an insurer may retroactively deny and/or adjust claims and demand reimbursement from providers.
- When clawbacks happen, the process is rarely transparent to providers and they are often left without payment for a service provided sometimes years before the clawback occurred.
- **Insurance plans can change frequently, often without the member's knowledge.** This is an administrative disaster for providers since each managed care company has its own service authorization, billing, and contracting rules. Providers must check the managed care company's Provider Benefits line or the MassHealth Eligibility Verification System (EVS) daily to confirm each client's managed care enrollment so they can bill the appropriate payer.
- When providers deliver a service in good faith and in compliance with eligibility and insurance rules, they should be compensated without fear of insurance companies taking back these reimbursements months or years after the services were provided.

Our Legislation will:

Limit both MassHealth and commercial health insurers to a 12 month period for recovering payments to a behavioral health provider for behavioral health services completed.

Questions? Mandy Gilman, ABH (agilman@abhmass.org) or Melody Hugo, SEIU Local 509 (mhugo@seiu509.org).