


## MEMORANDUM

<b>DATE</b>	July 24, 2017
<b>TO</b>	Board of Psychology
<b>FROM</b>	 Konnor Leitzell Central Services Student Assistant
<b>SUBJECT</b>	Agenda Item #5(b)(2)(TT) – SB 538 (Monning) Hospital Contracts

### **Background:**

This bill would place restrictions on contracts made between a hospital or any affiliate of a hospital, and a contracting agent or health care service plan. Under this bill, these contracts could not set payment rates for nonparticipating affiliates of the hospitals, nor require payors to certify, attest, or otherwise confirm in writing that the payor is bound by the terms of the contract. This bill would also prohibit contracts from requiring the contracting agent to submit to arbitration any claims or causes of action that arise under state or federal antitrust laws. The bill would also prohibit contracts from requiring the contracting agent to provide coverage to beneficiaries for services rendered by the hospital and any of its affiliates at the same level of copayment, coinsurance, deductible, or any similar cost-sharing provision, for services rendered by other in-network hospitals and any of their affiliates.

The amendments made to SB 538 (Monning) on 5/26/2017 specify that the contracts made pursuant to this bill would not be subject to the inspection requirements that are performed by the State Department of Public Health.

**Location:** Assembly Committee on Health

**Status:** 7/11/2017 first hearing canceled at the request of author

**Votes:** 5/31/2017 Senate Floor (22-9-9)  
5/25/2017 Senate Appropriations (6-0-1)  
5/15/2017 Senate Appropriations (7-0-0) Placed on Suspense File  
4/26/2017 Senate Health (9-0-0) Re-referred to the Committee on Appropriations

### **Action Requested:**

No action is required at this time. Staff will continue to watch SB 538 (Monning) to monitor changes to hospital contract requirements relating to psychologist reimbursement and coverage of mental health services.