



Maryland Addiction Directors Council

Health Insurance – Mental Health and Substance Use Disorder Benefits – Sunset Repeal and Modification of Reporting Requirements (SB 684)

Senate Finance Committee

February 28, 2024

FAVORABLE

Thank you for the opportunity to submit testimony in favor of SB 684. This bill would amend the reporting requirements that health insurance carriers must meet to demonstrate compliance with the federal Mental Health Parity and Addiction Equity Act (Parity Act) and state parity requirements and place the burden of proving compliance with this law squarely on Maryland’s insurers. The bill would put stronger and more comprehensive reporting standards in place that relate to whether mental health and substance use disorder care are truly accessible to Marylanders. Furthermore, the legislation would ensure the Maryland Insurance Administration (MIA) can meaningfully enforce a consumer’s right to non-discriminatory coverage of and access to mental health and substance use disorder care, when carriers fail to submit sufficient information to demonstrate they are complying with the law.

Maryland Addiction Directors Council (MADC) represents SUD and Dual Recovery outpatient and residential providers in Maryland. MADC members provide over 2,000 residential beds across the State and advocate for quality SUD and Dual Recovery outpatient and residential treatment. MADC advocates for treatment quality and evidence-based practice in services to SUD clients.

MADC providers routinely face significant barriers when treating or attempting to treat Marylanders with private health insurance, which may be violations of federal and state mental health parity and addiction equity laws. Stronger parity compliance reporting requirements would put the burden on insurers to demonstrate that they are complying with the law and ensure that any violations of the law could be effectively addressed to allow us to better serve our patients. Therefore, we urge the Committee to vote favorably on SB 684.

For example, some MADC providers have struggled to negotiate fair reimbursement rates with insurers. Insurers require us to submit extensive paperwork and information to get prior authorization, or continuing authorization, for treatment, which is overly burdensome and time consuming. Prior authorizations and continuing authorizations are too frequently denied, even

(OVER)

when a patient meets the medical necessity criteria for treatment. Insurers often deny coverage of care, without providing a clear reason for why they refuse to pay for the treatment.

While some of these treatment barriers may be occurring for medical and surgical providers as well, we have no way of knowing the insurer's practices and whether they apply more restrictive standards for mental health and substance use disorder care. The insurers have access to all this information, as well as outcome data that would reflect how these barriers affect access to care. That is why it is so vital that the insurers submit complete reports to the MIA detailing the comparative analysis required in federal and state laws. As providers, we cannot meaningfully challenge insurance practices that seem out of line with medical practices – such as the inability to join networks, unfair reimbursement rates, or limitations on patient care – without this information. Full and comprehensive parity analyses will allow the MIA to require insurers to eliminate any barriers to care that are more restrictive for substance use disorder and mental health providers and patients, and Marylanders can get the care they need.

Currently, Maryland private health insurers are only required to submit two reports demonstrating their compliance with the Parity Act over a four-year period. The MIA found that, in the first set of reports, not one single insurer submitted sufficient information for the agency to determine that their plans complied with the Parity Act. The MIA imposed approximately one million dollars in fines against the largest insurers and made a number of recommendations for how to improve the insurers' compliance with these reporting requirements, consistent with this legislation. SB 684 would ensure that the MIA can do its job to audit compliance and that state regulators continue to audit compliance beyond 2026. We have faced ongoing barriers to treating Maryland patients, year after year. Thus, the annual reporting and clarified report requirements in this legislation are necessary to root out the ongoing discrimination that Marylanders face in their private insurance when they need access to substance use disorder and mental health treatment and ensure that insurers do not adopt discriminatory practices in the future.

Thank you for considering our views. We urge the Committee to issue a favorable report on SB 684.