

Department of Legislative Services  
Maryland General Assembly  
2019 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

Senate Bill 631

(Senator Augustine)

Finance

Health and Government Operations

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Health Insurance – Coverage for Mental Health Benefits and Substance Use  
Disorder Benefits – Treatment Criteria

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This bill requires specified insurers, nonprofit health service plans, and health maintenance organizations (collectively known as carriers) to use the American Society of Addiction Medicine (ASAM) criteria for all medical necessity and utilization management determinations for substance use disorder benefits. The bill also repeals the limitation on a carrier charging a copayment for methadone maintenance treatment that is greater than 50% of the daily cost for methadone maintenance treatment. **The bill takes effect January 1, 2020, and applies to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after that date.**

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Fiscal Summary

**State Effect:** Minimal increase in special fund revenues for the Maryland Insurance Administration (MIA) from the \$125 rate and form filing fee. Review of filings can be handled with existing budgeted resources. No effect on the State Employee and Retiree Health and Welfare Benefits Plan (State plan).

**Local Effect:** None.

**Small Business Effect:** Minimal.

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Analysis

**Bill Summary:** “ASAM criteria” means the most recent edition of the ASAM treatment criteria for addictive, substance-related, and co-occurring conditions that establishes guidelines for placement, continued stay, and transfer or discharge of patients with addiction and co-occurring conditions.

**Current Law:** Maryland’s mental health parity law (§ 15-802 of the Insurance Article) prohibits discrimination against an individual with a mental illness, emotional disorder, or substance use disorder by failing to provide benefits for the diagnosis and treatment of these illnesses under the same terms and conditions that apply for the diagnosis and treatment of physical illnesses. Carriers are required to submit a demonstration of mental health parity compliance when they submit their form filings in the individual, small group, or large group fully insured markets. Self-insured plans are not required to submit documentation to MIA but rather are subject to federal fines and penalties for failure to comply.

The federal Mental Health Parity and Addiction Equity Act (MHPAEA) requires group health plans of large employers, as well as qualified health plans sold in health insurance exchanges and in the small group and individual markets as of January 1, 2014, to equalize health benefits for addiction and mental health care and medical and surgical services in many fundamental ways. MHPAEA prohibits group health plans from imposing separate or more restrictive financial requirements or treatment limitations on mental health and substance use disorder benefits than those imposed on other general medical benefits. MHPAEA also imposes nondiscrimination standards on medical necessity determinations.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 599 (Delegates Kelly and Hill) - Health and Government Operations.

**Information Source(s):** Department of Budget and Management; Maryland Insurance Administration; Maryland Health Benefit Exchange; Department of Legislative Services

**Fiscal Note History:** First Reader - February 28, 2019  
mm/ljm Third Reader - March 28, 2019  
Revised - Amendment(s) - March 28, 2019

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