

**Department of Legislative Services**  
Maryland General Assembly  
2022 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 517  
(Delegate R. Lewis)  
Health and Government Operations

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**Consumer Health Access Program for Mental Health and Addiction Care - Establishment**

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This bill establishes a Consumer Health Access Program for Mental Health and Addiction Care to assist State residents in accessing behavioral health services under public and private health insurance and address insurance-related barriers to behavioral health services. The program must be administered by the “incubator entity” (the University of Maryland Baltimore School of Social Work Center for Addiction Research, Education, and Services) and a hub entity. The bill also establishes a Consumer Health Access Program for Mental Health and Addiction Care Fund. In fiscal 2024 through 2026, the Governor must include in the annual budget bill a \$1.0 million appropriation to the fund.

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**Fiscal Summary**

**State Effect:** General fund expenditures increase by an indeterminate amount in FY 2023 for the incubator entity to select a hub entity. General fund expenditures and special fund revenues increase by \$1.0 million in FY 2024 through 2026 to reflect the mandated appropriation; special fund expenditures increase accordingly. To the extent a State public university is selected as a hub entity, higher education revenues and expenditures increase in FY 2024 through 2026. **This bill establishes a mandated appropriation in FY 2024 through 2026.**

(\$ in millions)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
SF Revenue	\$0	\$1.0	\$1.0	\$1.0	\$0
Higher Ed Rev.	\$0	-	-	-	\$0
GF Expenditure	-	\$1.0	\$1.0	\$1.0	\$0
SF Expenditure	\$0	\$1.0	\$1.0	\$1.0	\$0
Higher Ed Exp.	\$0	-	-	-	\$0
Net Effect	(\$-)	(\$1.0)	(\$1.0)	(\$1.0)	\$0.0

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** None.

**Small Business Effect:** Minimal.

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## **Analysis**

**Bill Summary:** “Connector entity regions” means the eight geographical regions in Maryland designated by the Maryland Health Benefit Exchange for purposes of insurance-related outreach, education, and enrollment under the federal Patient Protection and Affordable Care Act.

“Hub entity” means the private, community-based, nonprofit corporation or organization with offices located in the State or a public university in the State selected by the incubator entity and responsible for operating the program.

“Specialty entity” means a private, community-based, nonprofit corporation or organization with offices located in the State that enters a contract with the hub entity to assist in the delivery of consumer assistance services.

“Spoke entity” means the private, community-based, nonprofit corporation or organization with offices located in the State that enters into a contract with the hub entity to provide consumer assistance services in one of the eight connector entity regions.

### *Consumer Health Access Program for Mental Health and Addiction Care Fund*

The purpose of the fund is to provide funding to the incubator entity, hub entity, and spoke and specialty entities to carry out the responsibilities of the program. The incubator entity and the hub entity must administer the fund. The fund is a special, nonlapsing fund that consists of money appropriated in the State budget to the fund; interest earnings; and any other money from any other source accepted for the benefit of the fund. Expenditures from the fund may be made only in accordance with the State budget. Money expended from the fund for the program is supplemental to and not intended to take the place of funding that otherwise would be appropriated for the program. The fund may apply for and accept grants, gifts, and other funds.

The mandated appropriation to the fund in fiscal 2024 must be used to fund the incubator entity to select and assist the hub entity and offer technical assistance to the hub entity under an agreement for a three-year pilot period (however, the bill requires that a hub entity be selected by July 1, 2023). The mandated appropriations for fiscal 2025 and 2026 must be used to fund the hub entity, any spoke and specialty entities contracted by the hub entity, and any activities conducted by the incubator entities in those fiscal years.

### *Structure and Implementation of the Program*

Contingent on the receipt of State funding for the program, the incubator entity must implement the program by (1) conducting and completing an application process to select a hub entity that meets specified criteria by July 1, 2023; (2) assisting the hub entity in selecting and entering into an agreement to deliver consumer assistance services with one spoke entity in each of the eight connector entity regions; (3) assisting the hub entity in selecting and entering into agreements to deliver consumer assistance services with one or more specialty entities; and (4) offering technical assistance to the hub entity under an agreement for a three-year pilot period.

The program must be composed of the hub entity, eight spoke entities, a specialty entity (as needed), and specified volunteers. The program must operate a three-year pilot program to help consumers and providers navigate and resolve issues related to (1) health plan enrollment and coverage; (2) consumer access to behavioral health services; and (3) enforcement of rights under the Mental Health Parity and Addiction Equity Act (MHPAEA) and State and federal insurance laws. The program must promote equity in access to behavioral health services, as specified.

Within one year after the receipt of State funding, the program must (1) conduct outreach and education for residents of the State to improve health literacy, as specified; (2) establish and operate a toll-free helpline and an online assistance portal to allow access to program services; (3) assist in resolving issues related to health plan enrollment and service coverage and access; (4) assist and represent consumers in the filing of complaints, grievances, and appeals, as specified; (5) as appropriate, work jointly with State agencies to promote greater access to behavioral health services and resolution of consumer complaints; (6) enter into a memorandum of understanding with the Health Education and Advocacy Unit (HEAU) of the Office of the Attorney General (OAG) to coordinate consumer assistance services and ensure effective and nonduplicative assistance; (7) collect and analyze data on services provided by the program; (8) identify trends and gaps in coverage of and access to behavioral health services, identify trends in MHPAEA violations, and recommend policies and practices to resolve deficiencies in coverage and access to services; (9) make data, trend analyses, and recommendations available, as specified; (10) conduct advocacy with government agencies and the General Assembly to address systemic gaps in access to behavioral health services and MHPAEA violations; and (11) issue an annual report, with specified contents.

The program may request, obtain, and use the medical or other records of a consumer with the appropriate consent from the individual or the legal representative of the individual. The program must use and disclose an individual's records in compliance with specified State and federal law and privacy standards and may not disclose personal identifying

information in any form other than aggregate data without appropriate consent for release of information.

The program must request and promptly receive, with reasonable notice, the cooperation, assistance, information, and records from State agencies as necessary to enable the program to investigate a consumer's complaint.

The program must publish a notice about the program's services – posted in a conspicuous location and included in written materials – by each employer that provides health insurance or a health plan, behavioral health providers, and other entities on reasonable request by the program.

**Current Law:** Under Title 15, Subtitle 10A of the Insurance Article, consumers may appeal health insurance carriers' adverse decisions (proposed or delivered health care services are not or were not medically necessary) and contractual coverage decisions. Statute provides guidelines that carriers must follow in notifying patients of denials, establishing appeals and grievances processes, and notifying members of grievance decisions.

OAG's HEAU assists health care consumers in understanding health care bills and third-party coverage, identifying improper billing or coverage determinations, reporting billing or coverage problems to appropriate agencies, and assisting patients with health equipment warranty issues. HEAU is the State's first-line consumer assistance agency for the appeals and grievances processes. Carriers must notify patients that HEAU is available to assist them in mediating and filing a grievance or appeal of an adverse decision or coverage decision. HEAU conducts outreach programs to increase awareness of consumer rights regarding appeals and grievances and the assistance HEAU can provide consumers.

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 (SUD) 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 the Maryland Insurance Administration but rather are subject to federal fines and penalties for failure to comply.

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 SUD benefits than those imposed on other general medical benefits. MHPAEA also imposes nondiscrimination standards on medical necessity determinations.

Chapters 211 and 212 of 2020, among other things, require insurers, nonprofit health service plans, health maintenance organizations, and any other person or organization that provides health benefit plans in the State (collectively known as carriers) to submit two reports to the Insurance Commissioner, by March 1, 2022, and March 1, 2024, to demonstrate compliance with MHPAEA and conduct a specified comparative analysis.

**State Fiscal Effect:** The bill specifies that the mandated appropriation in fiscal 2024 must be used to fund the incubator entity to, among other things, *select* the hub entity. However, the bill requires that, *contingent on receipt of State funding*, the incubator entity must conduct *and complete* an application process to select a hub entity by July 1, 2023. This analysis assumes that State funding (likely general funds) is provided in fiscal 2023 for the incubator entity to select a hub entity. Thus, general funds increase by an indeterminate amount in fiscal 2023 for costs associated with selection of the hub entity. To the extent funding is not provided, selection of the hub entity is delayed until fiscal 2024.

General fund expenditures and special fund revenues increase by \$1.0 million annually in fiscal 2024 through 2026 to reflect the mandated appropriation. Special fund expenditures from the fund increase beginning in fiscal 2024 by at least \$1.0 million to fund the program, which reflects mandated appropriations, any interest earnings or other funds provided to the fund, and any potential grants, gifts, or other funds obtained by the program. To the extent that a public university in the State is selected by the incubator entity as a hub entity and is responsible for operating the program, higher education revenues and expenditures increase in fiscal 2024 through 2026.

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## Additional Information

**Prior Introductions:** None.

**Designated Cross File:** SB 460 (Senator Augustine) - Finance.

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

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