

Department of Legislative Services
 Maryland General Assembly
 2025 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 902 (Senator Augustine)
 Finance

Health Insurance - Access to Nonparticipating Providers - Referrals, Additional Assistance, and Coverage

This bill alters and expands existing requirements on health insurance carriers regarding referral procedures for nonparticipating specialists and nonphysician specialists. By January 1, 2026, the Maryland Health Care Commission (MHCC) must establish a formula to determine the reimbursement rate for specified mental health and substance use disorder (SUD) services provided by nonparticipating providers. The bill also repeals the termination date for Chapters 271 and 272 of 2022. **The bill’s provisions repealing the termination date take effect June 1, 2025; provisions regarding the MHCC reimbursement formula and referral procedures take effect January 1, 2026, and apply to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after that date.**

Fiscal Summary

State Effect: No effect in FY 2025. Minimal special fund revenue increase for the Maryland Insurance Administration (MIA) in FY 2026 from the \$125 rate and form filing fee. Any additional workload on MIA can likely be handled within existing budgeted resources. MHCC special fund expenditures increase by \$150,000 in FY 2026 only to hire a consultant to establish the formula to determine reimbursement rates. No impact on the State Employee and Retiree Health and Welfare Benefits Program.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
SF Revenue	-	\$0	\$0	\$0	\$0
SF Expenditure	\$150,000	\$0	\$0	\$0	\$0
Net Effect	(\$150,000)	\$0	\$0	\$0	\$0

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

Local Effect: The bill is not anticipated to materially affect local government finances.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary/Current Law:

Provider Requirements Regarding Referrals to Nonparticipating Specialists

Under current law, each carrier must establish and implement a procedure by which a member may request a referral to a specialist or nonphysician specialist that is not part of the carrier's provider panel if the member is diagnosed with a condition or disease that requires specialized health care services or medical care. The procedure must provide for a referral if the carrier does not have a specialist or nonphysician specialist with the professional training and expertise to treat or provide health care services for the condition in its provider panel or cannot provide reasonable access to such a specialist without unreasonable delay or travel. (Code of Maryland Regulations [31.10.44.05](#) and [.06](#) specify travel distance standards by provider type and appointment waiting time standards, respectively.)

The bill specifies that a referral must also be made if the member is *seeking care for* a condition or disease that requires specialized health care or medical services. The current law "without unreasonable delay or travel" standard is repealed and replaced with *within the reasonable appointment waiting time and travel distance standards established in regulation*.

The bill also prohibits the referral procedure from requiring prior authorization for purposes of scheduling an appointment with reimbursing or continuing an established treatment plan with a nonparticipating specialist or nonphysician specialist.

Mental Health and Substance Use Disorder Services

Under Chapters 271 and 272, a carrier must ensure that mental health and SUD services provided by a nonparticipating specialist or nonphysician specialist to which a member is referred are provided at no greater cost to the covered individual than if the services were provided by a participating provider. Each carrier must inform members of the procedure to request a referral to a specialist or nonphysician specialist. The Consumer Education and Advocacy Program must provide public education to inform consumers of such provisions. Chapters 271 and 272 also expanded the definition of "nonphysician specialist" to include a health care provider that is licensed as a behavioral health program. Chapters 271 and 272 terminate June 30, 2025.

The bill repeals the termination date of Chapters 271 and 272 and specifies that a carrier must ensure that the mental health and SUD services are provided *for the duration of the treatment plan* at no greater cost to the covered individual than if the services were provided by a participating provider.

Furthermore, under the bill, if a member cannot access mental health or SUD services through the referral procedure, a carrier must provide additional assistance to the member in identifying and arranging coverage of mental health or SUD services by a nonparticipating specialist or nonphysician specialist.

Maryland Health Care Commission – Reimbursement Formula

By January 1, 2026, MHCC must establish a formula to determine the reimbursement rate for nonparticipating providers who deliver mental health and SUD services under nonparticipating provider procedures. MHCC must hold public meetings with specified stakeholders to determine the reimbursement formula.

State Expenditures: MHCC advises that it must hire a consultant to develop a formula to determine the reimbursement rate for nonparticipating providers as required under the bill. Thus, MHCC special fund expenditures increase by \$150,000 in fiscal 2026 only.

Small Business Effect: Small business health care practitioners or practices that are nonparticipating providers (including those licensed as a behavioral health program) may serve additional patients under the bill.

Additional Comments: The requirement for MHCC to establish a reimbursement formula and to hold public meetings takes effect January 1, 2026, concurrent with the deadline for the establishment of that formula.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 11 (Delegate Sample-Hughes) - Health and Government Operations.

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

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