SB 328

Department of Legislative Services

Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 328 (Senator Augustine)
Finance

Maryland Medical Assistance Program and Health Insurance - Annual Behavioral Health Wellness Visits - Coverage and Reimbursement

This bill requires certain health insurers, nonprofit health service plans, and health maintenance organizations (collectively known as carriers), as well as Medicaid managed care organizations (MCOs), to provide coverage for an annual "behavioral health wellness visit." Coverage must be provided regardless of whether an assessment results in a behavioral health diagnosis. Reimbursement for the visit must be provided on the same basis and at the same rate as an assessment that results in a behavioral health diagnosis. Medicaid coverage must begin July 1, 2026. **The bill takes effect January 1, 2026, and applies to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after that date.**

Fiscal Summary

State Effect: Minimal increase in special fund revenues for the Maryland Insurance Administration (MIA) in FY 2026 from the $125 rate and form filing fee. Review of form filings can likely be handled with existing budgeted resources. To the extent utilization of services increases, Medicaid expenditures (and federal matching fund revenues) may increase minimally beginning in FY 2027. There is likely no impact on the State Employee and Retiree Health and Welfare Benefits Program.

Local Effect: To the extent the mandate increases the cost of health insurance, expenditures for local governments that purchase fully insured medical plans may increase. Revenues are not affected.

Small Business Effect: Minimal.

Analysis

Bill Summary: "Behavioral health wellness visit" means a clinical encounter during which a health care practitioner conducts an assessment to identify whether a patient meets criteria for a psychiatric or substance use disorder.

Current Law: Under Maryland law, there are more than 50 mandated health insurance benefits that certain carriers must provide to their enrollees. The federal Patient Protection and Affordable Care Act (ACA) requires nongrandfathered health plans to cover 10 essential health benefits, which include mental health and substance use disorder services, including behavioral health treatment.

Under the ACA, most health plans must cover preventive services with no cost sharing. This includes depression screening for adults and adolescents ages 12 and older; maternal depression screenings for mothers at well-baby visits; behavioral assessments for children younger than age 18; alcohol, tobacco, and drug use assessments for adolescents; and alcohol misuse screening and counseling for adults.

The U.S. Preventive Services Task Force (USPSTF) recommends screening for the following behavioral health issues:

- anxiety disorders in adults aged 64 or younger (including pregnant and postpartum persons);
- anxiety in children and adolescents ages 8 to 18;
- depression in adults (including pregnant and postpartum persons);
- major depressive disorder in adolescents ages 12 to 18;
- unhealthy drug use in adults ages 18 and older; and
- unhealthy alcohol use in adults ages 18 and older (including pregnant women).

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.

State Expenditures:

Medicaid

Medicaid covers primary behavioral health services through its MCOs. Medicaid advises that, to the extent that the bill increases utilization of services, expenditures (general and federal funds) may increase beginning in fiscal 2027. Federal fund matching revenues increase accordingly. As MCOs already cover primary mental health visits, including general screenings, any additional utilization under the bill is not anticipated to be significant or have a meaningful fiscal impact on Medicaid expenditures.

In addition to primary behavioral health services, MCOs reimburse for Screening, Brief Intervention, and Referral to Treatment (SBIRT) services, which aim to identify and provide brief treatment to individuals with nondependent substance use in an effort to prevent the development of a substance use disorder. Both self-administered and provider-administered screenings are reimbursable. Intervention is reimbursed at different rates depending on the service time. This billing structure enables providers to be compensated in cases in which further intervention is not needed, as well as in cases where additional intervention is provided. The Maryland Department of Health advises that the bill may require Medicaid to alter this billing structure and use one average billing rate for all SBIRT services. Medicaid advises that administrative costs increase minimally to establish a single new rate. Given the relatively low volume of SBIRT claims, altering the rates is not likely to have a meaningful net fiscal impact on Medicaid expenditures.

State Employee and Retiree Health and Welfare Benefits Program

The Department of Budget and Management (DBM) advises that the ACA requires mental health screenings during physicals for children and adults and USPSTF recommends multiple behavioral health screenings. Therefore, DBM does not anticipate a fiscal impact under the bill.

Additional Comments: The Maryland Health Care Commission completed a mandated health insurance services evaluation on similar legislation introduced during the 2023 legislative session (although that legislation required coverage without cost sharing). The report noted that behavioral health wellness visits are generally covered and subject to cost sharing. Sometimes a nonbehavioral health primary care office visit includes a behavioral health screening, which may lead to a referral to a behavioral health specialist. If a behavioral health wellness visit is recorded as preventive care, it may be covered without cost sharing. The use of telehealth services for behavioral health is often covered the same as in-person visits. Additionally, some payors provide an online behavioral health self-assessment that is free for members.

MIA advises that, as drafted, the bill would not apply to the nongrandfathered individual and small employer markets. Sections 31-116(a), (c), and (d) of the Insurance Article clearly indicate that mandates required after December 31, 2011, are not applicable to the nongrandfathered individual and small employer markets if the mandates are not included in the State benchmark plan. However, if the mandate were applied to all markets, the State would be required to defray the cost of the new mandate to the extent it applied to the individual and small group ACA plans.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See SB 124 and HB 400 of 2024 and SB 108 of 2023.

Designated Cross File: HB 665 (Delegate Woods, *et al.*) - 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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