HOUSE BILL 280

J5 6lr0036
(PRE–FILED) CF SB 205

By: **Chair, Health Committee (By Request – Departmental – Maryland Insurance Administration)**
Requested: September 16, 2025
Introduced and read first time: January 14, 2026
Assigned to: Health

Committee Report: Favorable
House action: Adopted
Read second time: February 22, 2026

CHAPTER _____

AN ACT concerning

Health Insurance – Mental Health and Substance Use Disorders – Codification of Federal Requirements

FOR the purpose of codifying in State law certain provisions of the Code of Federal Regulations related to mental health parity and clarifying the authority of the Maryland Insurance Administration to enforce certain laws; requiring health insurance carriers to collect and report on data related to access to benefits in a certain manner; requiring health insurance carriers to provide benefits for certain mental health conditions or substance use disorders under certain circumstances; requiring health insurance carriers to explain differences in access to care under certain circumstances; requiring the Maryland Insurance Commissioner to review reports from carriers and provide notice to health insurance carriers of noncompliance with State law and regulations; and generally relating to requirements for health insurance related to mental health and substance use disorders.

BY repealing and reenacting, with amendments,
Article – Insurance
Section 15–144(a), (c)(1) and (3)(ii), (d), (e), (i)(1), (k), and (l)(1)
Annotated Code of Maryland
(2017 Replacement Volume and 2025 Supplement)

BY adding to

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets**]** indicate matter deleted from existing law.
Underlining indicates amendments to bill.
~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Article – Insurance
Section 15–144(c)(7)
Annotated Code of Maryland
(2017 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, without amendments,
Article – Insurance
Section 15–144(o)
Annotated Code of Maryland
(2017 Replacement Volume and 2025 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Insurance

15–144.

(a) (1) In this section the following words have the meanings indicated.

(2) "Carrier" means:

(i) an insurer that holds a certificate of authority in the State and provides health insurance in the State;

(ii) a health maintenance organization that is licensed to operate in the State;

(iii) a nonprofit health service plan that is licensed to operate in the State; or

(iv) any other person or organization that provides health benefit plans subject to State insurance regulation.

(3) "CORE TREATMENT" MEANS A STANDARD TREATMENT OR COURSE OF TREATMENT, THERAPY, SERVICE, OR INTERVENTION INDICATED BY GENERALLY RECOGNIZED INDEPENDENT STANDARDS OF CURRENT MEDICAL PRACTICE.

[(3)**] (4)** "Health benefit plan" means:

(i) for a large group or blanket plan, a health benefit plan as defined in § 15–1401 of this title;

(ii) for a small group plan, a health benefit plan as defined in § 15–1201 of this title;

(iii) for an individual plan:

1. a health benefit plan as defined in § 15–1301(l) of this title; or

2. an individual health benefit plan as defined in § 15–1301(o) of this title;

(iv) short–term limited duration insurance as defined in § 15–1301(s) of this title; or

(v) a student health plan as defined in § 15–1318(a) of this title.

[(4)**] (5)** "Medical/surgical benefits" has the meaning stated in 45 C.F.R. § 146.136(a) and 29 C.F.R. § 2590.712(a).

[(5)**] (6) (I)** "Mental health benefits" **[**has the meaning stated in 45 C.F.R. § 146.136(a) and 29 C.F.R. § 2590.712(a)**] MEANS BENEFITS WITH RESPECT TO ITEMS OR SERVICES FOR MENTAL HEALTH CONDITIONS THAT ARE DEFINED UNDER THE TERMS OF A HEALTH BENEFIT PLAN AND IN ACCORDANCE WITH APPLICABLE FEDERAL AND STATE LAW, INCLUDING REQUIREMENTS THAT:**

1. ANY CONDITION DEFINED UNDER THE TERMS OF THE HEALTH BENEFIT PLAN AS BEING OR AS NOT BEING A MENTAL HEALTH CONDITION BE DEFINED CONSISTENT WITH GENERALLY RECOGNIZED INDEPENDENT STANDARDS OF CURRENT MEDICAL PRACTICE AND INCLUDE ALL CONDITIONS, EXCEPT FOR SUBSTANCE USE DISORDERS, COVERED UNDER THE HEALTH BENEFIT PLAN THAT:

A. FALL UNDER ANY OF THE DIAGNOSTIC CATEGORIES LISTED IN THE MENTAL, BEHAVIORAL, AND NEURODEVELOPMENTAL DISORDERS CHAPTER, OR EQUIVALENT CHAPTER, OF THE MOST RECENT VERSION OF THE WORLD HEALTH ORGANIZATION'S INTERNATIONAL CLASSIFICATION OF DISEASES ADOPTED BY THE FEDERAL DEPARTMENT OF HEALTH AND HUMAN SERVICES; OR

B. ARE LISTED IN THE MOST RECENT VERSION OF THE AMERICAN PSYCHIATRIC ASSOCIATION'S DIAGNOSTIC AND STATISTICAL MANUAL OF MENTAL DISORDERS; AND

2. TO THE EXTENT GENERALLY RECOGNIZED INDEPENDENT STANDARDS OF CURRENT MEDICAL PRACTICE DO NOT ADDRESS WHETHER A CONDITION IS A MENTAL HEALTH CONDITION, THE CONDITION BE DEFINED IN ACCORDANCE WITH APPLICABLE FEDERAL AND STATE LAW.

(II) "MENTAL HEALTH BENEFITS" DOES NOT INCLUDE MEDICAL/SURGICAL BENEFITS OR SUBSTANCE USE DISORDER BENEFITS.

[(6)**] (7)** "Nonquantitative treatment limitation" means treatment limitations as defined in 45 C.F.R. § 146.136(a) and 29 C.F.R. § 2590.712(a).

[(7)**] (8)** (i) "Parity Act" means the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008, as amended.

(ii) "Parity Act" includes 45 C.F.R. § 146.136, 29 C.F.R. § 2590.712, and any other related federal regulations found in the Code of Federal Regulations to implement or enforce the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008.

[(8)**] (9)** "Parity Act classification" means:

(i) inpatient in–network benefits;

(ii) inpatient out–of–network benefits;

(iii) outpatient in–network benefits;

(iv) outpatient out–of–network benefits;

(v) prescription drug benefits; and

(vi) emergency care benefits.

[(9)**] (10)** "Product" has the meaning stated in § 15–1309(a)(3) of this title.

[(10)**] (11) (I)** "Substance use disorder benefits" **[**has the meaning stated in 45 C.F.R. § 146.136(a) and 29 C.F.R. § 2590.712(a)**] MEANS BENEFITS WITH RESPECT TO ITEMS OR SERVICES FOR SUBSTANCE USE DISORDERS THAT ARE DEFINED UNDER THE TERMS OF A HEALTH BENEFIT PLAN AND IN ACCORDANCE WITH APPLICABLE FEDERAL AND STATE LAW, INCLUDING REQUIREMENTS THAT:**

1. ANY DISORDER DEFINED UNDER THE TERMS OF THE HEALTH BENEFIT PLAN AS BEING OR AS NOT BEING A SUBSTANCE USE DISORDER BE DEFINED CONSISTENT WITH GENERALLY RECOGNIZED INDEPENDENT STANDARDS OF CURRENT MEDICAL PRACTICE AND INCLUDE ALL DISORDERS COVERED UNDER THE HEALTH BENEFIT PLAN THAT:

A. FALL UNDER ANY OF THE DIAGNOSTIC CATEGORIES LISTED AS A MENTAL OR BEHAVIORAL DISORDER DUE TO PSYCHOACTIVE SUBSTANCE USE, OR EQUIVALENT CATEGORY, IN THE MENTAL, BEHAVIORAL, AND

NEURODEVELOPMENTAL DISORDERS CHAPTER, OR EQUIVALENT CHAPTER, OF THE MOST RECENT VERSION OF THE WORLD HEALTH ORGANIZATION'S INTERNATIONAL CLASSIFICATION OF DISEASES ADOPTED BY THE FEDERAL DEPARTMENT OF HEALTH AND HUMAN SERVICES; OR

B. ARE LISTED AS A SUBSTANCE–RELATED AND ADDICTIVE DISORDER, OR EQUIVALENT CATEGORY, IN THE MOST RECENT VERSION OF THE AMERICAN PSYCHIATRIC ASSOCIATION'S DIAGNOSTIC AND STATISTICAL MANUAL OF MENTAL DISORDERS; AND

2. TO THE EXTENT GENERALLY RECOGNIZED INDEPENDENT STANDARDS OF CURRENT MEDICAL PRACTICE DO NOT ADDRESS WHETHER A DISORDER IS A SUBSTANCE USE DISORDER, THE DISORDER SHALL BE DEFINED UNDER THE TERMS OF THE HEALTH BENEFIT PLAN IN ACCORDANCE WITH APPLICABLE FEDERAL AND STATE LAW.

(II) "SUBSTANCE USE DISORDER BENEFITS" DOES NOT INCLUDE MEDICAL/SURGICAL BENEFITS OR MENTAL HEALTH BENEFITS.

(c) (1) Each carrier subject to this section shall:

(i) for each Parity Act classification, identify all nonquantitative treatment limitations that are applied to mental health benefits, substance use disorder benefits, and medical/surgical benefits;

(ii) in accordance with the Parity Act **AND ANY STATE REGULATIONS ADOPTED UNDER SUBSECTION (O) OF THIS SECTION**, perform and document comparative analyses of the design and application of all nonquantitative treatment limitations imposed on mental health benefits and substance use disorder benefits;

(III) 1. COLLECT AND EVALUATE RELEVANT DATA IN A MANNER REASONABLY DESIGNED TO ASSESS THE IMPACT OF EACH NONQUANTITATIVE TREATMENT LIMITATION ON RELEVANT OUTCOMES RELATED TO ACCESS TO MENTAL HEALTH AND SUBSTANCE USE DISORDER BENEFITS AND MEDICAL/SURGICAL BENEFITS; AND

2. WITH RESPECT TO NONQUANTITATIVE TREATMENT LIMITATIONS RELATED TO NETWORK COMPOSITION, COLLECT AND EVALUATE RELEVANT DATA IN A MANNER REASONABLY DESIGNED TO ASSESS THE AGGREGATE IMPACT OF ALL THE NONQUANTITATIVE TREATMENT LIMITATIONS ON ACCESS TO MENTAL HEALTH AND SUBSTANCE USE DISORDER BENEFITS AND MEDICAL/SURGICAL BENEFITS;

[(iii)**] (IV)** provide the comparative analysis**, INCLUDING THE EVALUATION OF RELEVANT DATA,** for each nonquantitative treatment limitation requested by the Commissioner within:

1. 15 working days after a written request; or

2. if adopted by the federal government, less than 15 working days to align with the federal rule or regulation;

[(iv)**] (V)** within 30 days after a written request, provide the comparative analysis for each nonquantitative treatment limitation and related in operation data analysis, if available and requested by a member in accordance with the Parity Act disclosure requirements or, for members with individual plans, in accordance with subsection **[**(e)(7)**] (E)(8)** of this section; and

[(v)**] (VI)** submit the reports required under paragraph (2) of this subsection.

(3) The report submitted under paragraph (2) of this subsection shall include the following information:

(ii) the results of a comparative analysis**, INCLUDING THE EVALUATION OF RELEVANT DATA,** conducted by the carrier on not fewer than five nonquantitative treatment limitations selected by the Commissioner in accordance with paragraph (5) of this subsection; and

(7) IF THE RELEVANT DATA EVALUATED UNDER PARAGRAPH (1)(III) OF THIS SUBSECTION INDICATE THAT THE NONQUANTITATIVE TREATMENT LIMITATION CONTRIBUTES TO MATERIAL DIFFERENCES IN ACCESS TO MENTAL HEALTH AND SUBSTANCE USE DISORDER BENEFITS AS COMPARED TO MEDICAL/SURGICAL BENEFITS IN A PARITY ACT CLASSIFICATION:

(I) THE DIFFERENCES SHALL BE CONSIDERED A STRONG INDICATOR OF NONCOMPLIANCE WITH THE PARITY ACT AND MAY SUBJECT THE CARRIER TO THE PROVISIONS OF SUBSECTION (K) OF THIS SECTION; AND

(II) THE CARRIER SHALL SUBMIT TO THE COMMISSIONER DOCUMENTATION OF REASONABLE ACTIONS THAT HAVE BEEN OR ARE BEING TAKEN TO ADDRESS THE MATERIAL DIFFERENCES TO ENSURE COMPLIANCE, IN OPERATION, WITH THE PARITY ACT WITHIN 15 WORKING DAYS OF A REQUEST FROM THE COMMISSIONER FOR THE DOCUMENTATION IN ACCORDANCE WITH THIS SECTION.

(d) (1) A carrier subject to this section shall conduct a comparative analysis for the nonquantitative treatment limitations selected under subsection (c)(5) of this section as nonquantitative treatment limitations are:

(i) written; and

(ii) in operation.

(2) The comparative analysis of the nonquantitative treatment limitations selected under subsection (c)(5) of this section shall:

(i) demonstrate that the processes, strategies, evidentiary standards, or other factors used in designing and applying each selected nonquantitative treatment limitation to mental health benefits and substance use disorder benefits in each Parity Act classification are comparable to, and are applied no more stringently than, the processes, strategies, evidentiary standards, or other factors used in designing and applying each selected nonquantitative treatment limitation to medical/surgical benefits within the same Parity Act classification; **[**and**]**

(II) DEMONSTRATE THAT NONE OF THE INFORMATION, EVIDENCE, SOURCES, OR STANDARDS ON WHICH A FACTOR OR EVIDENTIARY STANDARD IS BASED ARE BIASED OR NOT OBJECTIVE IN A MANNER THAT DISCRIMINATES AGAINST MENTAL HEALTH OR SUBSTANCE USE DISORDER BENEFITS AS COMPARED TO MEDICAL/SURGICAL BENEFITS;

(III) IN ACCORDANCE WITH THE PROVISIONS OF PARAGRAPH (3) OF THIS SUBSECTION, DEMONSTRATE THAT THE HEALTH BENEFIT PLAN PROVIDES MEANINGFUL BENEFITS FOR EACH COVERED MENTAL HEALTH CONDITION AND SUBSTANCE USE DISORDER IN EVERY PARITY ACT CLASSIFICATION IN WHICH MEDICAL/SURGICAL BENEFITS ARE PROVIDED; AND

[(ii)**] (IV)** include all information required under the Parity Act **AND ANY STATE REGULATIONS ADOPTED UNDER SUBSECTION (O) OF THIS SECTION**.

(3) (I) THE BENEFITS PROVIDED FOR THE MENTAL HEALTH CONDITION OR SUBSTANCE USE DISORDER SHALL BE COMPARED TO THE BENEFITS PROVIDED FOR MEDICAL CONDITIONS AND SURGICAL PROCEDURES IN EACH PARITY ACT CLASSIFICATION TO DETERMINE WHETHER BENEFITS ARE MEANINGFUL.

(II) EXCEPT AS PROVIDED UNDER SUBPARAGRAPH (III) OF THIS PARAGRAPH, BENEFITS ARE NOT MEANINGFUL UNLESS COVERAGE IS PROVIDED FOR A CORE TREATMENT FOR THE MENTAL HEALTH CONDITION OR SUBSTANCE USE DISORDER IN EACH CLASSIFICATION IN WHICH COVERAGE IS PROVIDED FOR A CORE TREATMENT FOR ONE OR MORE MEDICAL CONDITIONS OR SURGICAL PROCEDURES.

(III) IF THERE IS NO CORE TREATMENT FOR A COVERED MENTAL HEALTH CONDITION OR SUBSTANCE USE DISORDER WITH RESPECT TO A PARITY ACT CLASSIFICATION, THE HEALTH BENEFIT PLAN:

1. IS NOT REQUIRED TO PROVIDE BENEFITS FOR A CORE TREATMENT FOR THE COVERED MENTAL HEALTH CONDITION OR SUBSTANCE USE DISORDER IN THAT PARITY ACT CLASSIFICATION; AND

2. IS REQUIRED TO PROVIDE BENEFITS FOR THE COVERED MENTAL HEALTH CONDITION OR SUBSTANCE USE DISORDER IN EVERY PARITY ACT CLASSIFICATION IN WHICH MEDICAL/SURGICAL BENEFITS ARE PROVIDED.

[(3)**] (4)** Regardless of whether it was used before the Parity Act was enacted and as requested by the **[**Commission**] COMMISSIONER**, a carrier shall perform and provide a comparative analysis for each process, strategy, evidentiary standard, or other factor used in designing and applying a selected nonquantitative treatment limitation used during a reporting period.

(e) In providing the analysis required under subsection (d) of this section, a carrier shall:

(1) identify the factors used to determine that a nonquantitative treatment limitation will apply to a benefit, including:

(i) the sources for the factors; **AND**

[(ii) the factors that were considered but rejected; and**]**

[(iii)**] (II)** if a factor was given more weight than another, the reason for the difference in weighting;

(2) identify and define the specific evidentiary standards used to define the factors and any other evidence relied on in designing each nonquantitative treatment limitation;

(3) include the results of the audits, reviews, and analyses performed on the nonquantitative treatment limitations identified under subsection (c)(5) of this section to conduct the analysis required under subsection (d)(2) of this section for the plans and products as written;

(4) include the **RELEVANT DATA EVALUATED UNDER SUBSECTION (C)(1)(III) OF THIS SECTION AND THE** results of the audits, reviews, and analyses performed on the nonquantitative treatment limitations identified under subsection (c)(5)

of this section to conduct the analysis required under subsection (d)(2) of this section for the plans and products as in operation;

(5) IF THE RELEVANT DATA EVALUATED UNDER SUBSECTION (C)(1)(III) OF THIS SECTION INDICATE THAT THE NONQUANTITATIVE TREATMENT LIMITATION CONTRIBUTES TO MATERIAL DIFFERENCES IN ACCESS TO MENTAL HEALTH AND SUBSTANCE USE DISORDER BENEFITS AS COMPARED TO MEDICAL/SURGICAL BENEFITS IN A PARITY ACT CLASSIFICATION, INCLUDE AN EXPLANATION OF THE DIFFERENCES AND A DISCUSSION OF THE ACTIONS THAT HAVE BEEN OR ARE BEING TAKEN BY THE CARRIER TO ADDRESS THE DIFFERENCES;

[(5)**] (6)** identify the measures used to ensure comparable design and application of nonquantitative treatment limitations that are implemented by the carrier and any entity delegated by the carrier to manage mental health benefits, substance use disorder benefits, or medical/surgical benefits on behalf of the carrier;

[(6)**] (7)** disclose the specific findings and conclusions reached by the carrier that indicate that the health benefit plan is in compliance with this section and the Parity Act; and

[(7)**] (8)** identify the process used to comply with the Parity Act disclosure requirements for mental health benefits, substance use disorder benefits, and medical/surgical benefits, including:

(i) the criteria for a medical necessity determination;

(ii) reasons for a denial of benefits; and

(iii) in connection with a member's request for individual or group plan information and for purposes of filing an internal coverage or grievance matter and appeals, plan documents that contain information about processes, strategies, evidentiary standards, and any other factors used to apply a nonquantitative treatment limitation.

(i) (1) The Commissioner shall:

(i) review each report submitted in accordance with subsections (c), (d), and (f) of this section to assess each carrier's compliance with the Parity Act **AND ANY STATE REGULATIONS ADOPTED UNDER SUBSECTION (O) OF THIS SECTION** for each Parity Act classification;

(ii) notify a carrier in writing of any noncompliance with the Parity Act **OR ANY STATE REGULATIONS ADOPTED UNDER SUBSECTION (O) OF THIS SECTION** before issuing an administrative order; and

(iii) within 90 days after the notice of noncompliance is issued, allow the carrier to:

1. submit a compliance plan to the Administration to comply with the Parity Act **AND ANY STATE REGULATIONS ADOPTED UNDER SUBSECTION (O) OF THIS SECTION**; and

2. reprocess any claims that were improperly denied, in whole or in part, because of the noncompliance.

(k) If, as a result of the review required under subsection (i)(1)(i) of this section, the Commissioner finds that the carrier failed to comply with the Parity Act **OR ANY STATE REGULATIONS ADOPTED UNDER SUBSECTION (O) OF THIS SECTION**, and did not submit a compliance plan to adequately correct the noncompliance, the Commissioner may:

(1) issue an administrative order that requires:

(i) the carrier or an entity delegated by the carrier to cease the noncompliant conduct or practice; or

(ii) the carrier to provide a payment that has been denied improperly because of the noncompliance; or

(2) impose any other penalty or take any action as authorized:

(i) for an insurer, nonprofit health service plan, or any other person subject to this section, under this article; or

(ii) for a health maintenance organization, under this article or the Health – General Article.

(l) (1) A carrier shall have the burden of persuasion in demonstrating that its design and application of a nonquantitative treatment limitation complies with the Parity Act **AND ANY STATE REGULATIONS ADOPTED UNDER SUBSECTION (O) OF THIS SECTION**:

(i) in any review conducted by the Commissioner under this section; or

(ii) in any complaint investigation or market conduct action undertaken by the Commissioner that involves the application of the Parity Act.

(o) The Commissioner shall, in consultation with interested stakeholders, adopt regulations to implement this section, including to ensure uniform definitions and methodology for the reporting requirements established under this section.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2026.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.