

Senate Bill 684 Health Insurance - Mental Health and Substance Use Disorder Benefits - Sunset Repeal and Modification of Reporting Requirements

Finance Committee

February 28, 2024

Position: SUPPORT

Mental Health Association of Maryland (MHAMD) is a nonprofit education and advocacy organization that brings together consumers, families, clinicians, advocates and concerned citizens for unified action in all aspects of mental health and substance use disorders (collectively referred to as behavioral health). We appreciate the opportunity to provide this testimony in support of Senate Bill 684.

SB 684 would strengthen reporting requirements for health insurance companies (carriers) related to their compliance with state and federal behavioral health parity laws¹ and enhance the Maryland Insurance Administration's (MIA) parity enforcement authority. It would remove the sunset on carrier reporting requirements, requiring carriers to continue submitting reports every year; require carriers to conduct and document comparative analyses for legacy processes impacting nonquantitative treatment limitations (NQTL)² that were implemented prior to passage of the federal Parity Act; give the MIA additional enforcement options; place the burden of persuasion on carriers in demonstrating parity compliance; and provide that failure to submit a complete report shall be considered a parity violation.

The revisions in SB 684 were developed pursuant to recommendations from the MIA's [2023 Interim Report on Nonquantitative Treatment Limitations and Data](#), which summarizes the findings of reviews of parity reports submitted by carriers pursuant to new reporting requirements established by the General Assembly in 2020 ([SB 334/](#)[HB 455](#))³. After determining that the reports submitted by carriers were "uniformly and significantly inadequate, impeding the ability to reach parity determinations," the MIA recommended new reporting requirements and enforcement options similar to those outlined in SB 684 as a way of "improving the ability of regulators to reach substantive conclusions on parity compliance."

It has been 30 years since Maryland passed the first state mental health parity law in the nation and 15 years since passage of the federal Parity Act, but discriminatory practices and failure among payers to comply with statutory requirements continue unabated while the unmet demand for mental health and substance use care continues to increase. The General Assembly has an opportunity with SB 684 to take a significant step toward ensuring the appropriate implementation and enforcement of these critical anti-discrimination laws, and we urge a favorable report.

¹ Maryland state law and the federal Mental Health Parity and Addiction Equity Act of 2008 require health insurers to provide coverage for mental health and substance use care that is on par with and no more restrictive than the coverage they provide for physical health care.

² NQTLs are processes, strategies, evidentiary standards, or other criteria that limit the scope or duration of benefits for services provided in a health insurance plan, including things like prior authorization, concurrent review, network adequacy, and provider reimbursement.

³ Following passage of SB 334/HB 455 in 2020, the MIA established a parity reporting framework that has been cited by the federal government as a model for other states.

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