

MedChi

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TO: The Honorable Pamela Beidle, Chair
Members, Senate Finance Committee
The Honorable Malcolm Augustine

FROM: Danna L. Kauffman
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DATE: February 28, 2024

RE: **SUPPORT** – Senate Bill 684 – *Health Insurance – Mental Health and Substance Use Disorder Benefits – Sunset Repeal and Modification of Reporting Requirements*

The Maryland State Medical Society (MedChi), the largest physician organization in Maryland, **supports the goals of Senate Bill 684**. This bill makes changes to the 2020 parity law that requires carriers by March 1, 2022, and March 1, 2024, to identify the five health benefit plans with the highest enrollment for each product offered by the carrier in the individual, small, and large group markets and submit a report to the Commissioner to demonstrate the carrier's compliance with the Parity Act. In addition, the 2020 law requires each carrier to conduct a comparative analysis for the nonquantitative treatment limitations identified in the compliance report as those limitations are written and in operation, which demonstrates that the processes, strategies, evidentiary standards, or other factors used in applying the medical necessity criteria and each nonquantitative treatment limitation to mental health and substance use disorder benefits in each Parity Act classification are comparable to, and are applied no more stringently than, those used for medical and surgical benefits.

Senate Bill 684 makes the current reporting permanent (annually on or before March 1, 2025). In addition, the bill expands on the reporting requirements for the nonquantitative treatment limitations and provides the Insurance Commissioner with additional discretion to review a subset of the nonquantitative treatment limitation. According to the 2023 Interim Report issued by the Maryland Insurance Administration "*Report on Nonquantitative Treatment Limitations and Data*" (December 1, 2023), the purpose of the mental health parity report is "to require carriers to demonstrate that any limitations applied to benefits for mental health and substance use disorders under insured health benefit plans are comparable to, and applied no more stringently than, the limitations applied to medical and surgical benefits." According to the Commissioner's report, the reports submitted by the carriers were found to be deficient, including reports being both late and incomplete.

Therefore, MedChi supports the goals of Senate Bill 684 to make changes to the current reporting requirements to be better able to review and ensure that carriers are compliant with the parity laws. MedChi understands that there is more than one bill addressing this issue and looks forward to working with the committee to ensure that Marylanders have full access to mental health/substance use disorder coverage.